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February 13, 2003

Received; read twice and referred to the Committee on Finance

OCTOBER 3, 2003

Reported by Mr. Grassley, with an amendment [Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Personal Responsi-
- 5 bility, Work, and Family Promotion Act of 2003".

1 SEC. 2. TABLE OF CONTENTS.

2 The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
- Sec. 4. Findings.

TITLE I—TANF

- Sec. 101. Purposes.
- Sec. 102. Family assistance grants.
- Sec. 103. Promotion of family formation and healthy marriage.
- Sec. 104. Supplemental grant for population increases in certain States.
- Sec. 105. Bonus to reward employment achievement.
- Sec. 106. Contingency fund.
- Sec. 107. Use of funds.
- Sec. 108. Repeal of Federal loan for State welfare programs.
- Sec. 109. Universal engagement and family self-sufficiency plan requirements.
- Sec. 110. Work participation requirements.
- Sec. 111. Maintenance of effort.
- Sec. 112. Performance improvement.
- Sec. 113. Data collection and reporting.
- Sec. 114. Direct funding and administration by Indian tribes.
- Sec. 115. Research, evaluations, and national studies.
- Sec. 116. Studies by the Census Bureau and the General Accounting Office.
- Sec. 117. Definition of assistance.
- Sec. 118. Technical corrections.
- Sec. 119. Fatherhood program.
- Sec. 120. State option to make TANF programs mandatory partners with onestop employment training centers.
- Sec. 121. Sense of the Congress.
- Sec. 122. Extension through fiscal year 2003.

TITLE H—CHILD CARE

- Sec. 201. Short title.
- Sec. 202. Goals.
- Sec. 203. Authorization of appropriations.
- Sec. 204. Application and plan.
- Sec. 205. Activities to improve the quality of child care.
- Sec. 206. Report by secretary.
- Sec. 207. Definitions.
- Sec. 208. Entitlement funding.

TITLE HI—CHILD SUPPORT

- See. 301. Federal matching funds for limited pass through of child support payments to families receiving TANF.
- Sec. 302. State option to pass through all child support payments to families that formerly received TANF.
- Sec. 303. Mandatory review and adjustment of child support orders for families receiving TANF.
- Sec. 304. Mandatory fee for successful child support collection for family that has never received TANF.

- Sec. 305. Report on undistributed child support payments.
- See. 306. Use of new hire information to assist in administration of unemployment compensation programs.
- Sec. 307. Decrease in amount of child support arrearage triggering passport denial.
- See. 308. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 309. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
- Sec. 310. Improving Federal debt collection practices.
- Sec. 311. Maintenance of technical assistance funding.
- Sec. 312. Maintenance of Federal Parent Locator Service funding.

TITLE IV—CHILD WELFARE

- Sec. 401. Extension of authority to approve demonstration projects.
- Sec. 402. Elimination of limitation on number of waivers.
- Sec. 403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
- Sec. 404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
- Sec. 405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
- Sec. 406. Availability of reports.
- Sec. 407. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

Sec. 501. Review of State agency blindness and disability determinations.

TITLE VI—STATE AND LOCAL FLEXIBILITY

- Sec. 601. Program coordination demonstration projects.
- Sec. 602. State food assistance block grant demonstration project.

TITLE VII—ABSTINENCE EDUCATION

Sec. 701. Extension of abstinence education program.

TITLE VIII—TRANSITIONAL MEDICAL ASSISTANCE

- Sec. 801. Extension of medicaid transitional medical assistance program through fiscal year 2004.
- Sec. 802. Adjustment to payments for medicaid administrative costs to prevent duplicative payments and to fund extension of transitional medical assistance.

TITLE IX—EFFECTIVE DATE

Sec. 901. Effective date.

SEC. 3. REFERENCES.

- 2 Except as otherwise expressly provided, wherever in
- 3 this Act an amendment or repeal is expressed in terms

- 1 of an amendment to, or repeal of, a section or other provi-
- 2 sion, the amendment or repeal shall be considered to be
- 3 made to a section or other provision of the Social Security
- 4 Act.

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5 SEC. 4. FINDINGS.

- 6 The Congress makes the following findings:
- 7 (1) The Temporary Assistance for Needy Fami8 lies (TANF) Program established by the Personal
 9 Responsibility and Work Opportunity Reconciliation
 10 Act of 1996 (Public Law 104–193) has succeeded in
 11 moving families from welfare to work and reducing
 12 child poverty.
 - (A) There has been a dramatic increase in the employment of current and former welfare recipients. The percentage of working recipients reached an all-time high in fiscal year 1999 and continued steady in fiscal years 2000 and 2001. In fiscal year 2001, 33 percent of adult recipients were working, compared to less than 7 percent in fiscal year 1992, and 11 percent in fiscal year 1996. All States met the overall participation rate standard in fiscal year 2001, as did the District of Columbia and Puerto Rico.
 - (B) Earnings for welfare recipients remaining on the rolls have also increased signifi-

cantly, as have earnings for female-headed households. The increases have been particularly large for the bottom 2 income quintiles, that is, those women who are most likely to be former or present welfare recipients.

(C) Welfare dependency has plummeted. As of June 2002, 2,025,000 families and 5,008,000 individuals were receiving assistance. Accordingly, the number of families in the welfare caseload and the number of individuals receiving eash assistance declined 54 percent and 58 percent, respectively, since the enactment of TANF. These declines have persisted even as unemployment rates have increased: unemployment rates nationwide rose 50 percent, from 3.9 percent in September 2000 to 6 percent in November 2002, while welfare caseloads continued to decline.

(D) The child poverty rate continued to decline between 1996 and 2001, falling 20 percent from 20.5 to 16.3 percent. The 2001 child poverty rate remains at the lowest level since 1979. Child poverty rates for African-American and Hispanic children have also fallen dramatically during the past 6 years. African-American child

panic child poverty is at the lowest level reported in over 20 years.

(E) Despite these gains, States have had mixed success in fully engaging welfare recipients in work activities. While all States have met the overall work participation rates required by law, in 2001, in an average month, only just over ½ of all families with an adult participated in work activities that were countable toward the State's participation rate. Five jurisdictions failed to meet the more rigorous 2-parent work requirements, and 19 jurisdictions (States and territories) are not subject to the 2-parent requirements, most because they moved their 2-parent eases to separate State programs where they are not subject to a penalty for failing the 2-parent rates.

(2) As a Nation, we have made substantial progress in reducing teen pregnancies and births, slowing increases in nonmarital childbearing, and improving child support collections and paternity establishment.

(A) The teen birth rate has fallen continuously since 1991, down a dramatic 22 percent

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by 2000. During the period of 1991–2000, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in lowering the birth rate for both younger and older teens. The birth rate for those 15-17 years of age is down 29 percent since 1991, and the rate for those 18 and 19 is down 16 percent. Between 1991 and 2000, teen birth rates declined for all women ages 15–19—white, Afriean American, American Indian, Asian or Paeific Islander, and Hispanic women ages 15–19. The rate for African American teens—until recently the highest—experienced the largest decline, down 31 percent from 1991 to 2000, to reach the lowest rate ever reported for this group. Most births to teens are nonmarital; in 2000, about 73 percent of the births to teens aged 15–19 occurred outside of marriage.

(B) Nonmarital childbearing continued to increase slightly in 2001, however not at the sharp rates of increase seen in recent decades. The birth rate among unmarried women in 2001 was 4 percent lower than its peak reached

in 1994, while the proportion of births occurring outside of marriage has remained at approximately 33 percent since 1998.

- (C) The negative consequences of out-of-wedlock birth on the mother, the child, the family, and society are well documented. These include increased likelihood of welfare dependency, increased risks of low birth weight, poor cognitive development, child abuse and neglect, and teen parenthood, and decreased likelihood of having an intact marriage during adulthood.
- (D) An estimated 24,500,000 children do not live with their biological fathers, and 7,100,000 children do not live with their biological mothers. These facts are attributable largely to declining marriage rates, increasing divorce rates, and increasing rates of nonmarital births during the latter part of the 20th century.
- (E) There has been a dramatic rise in cohabitation as marriages have declined. Only 40 percent of children of cohabiting couples will see their parents marry. Those who do marry experience a 50 percent higher divorce rate. Children in single-parent households and cohab-

iting households are at much higher risk of child abuse than children in intact married and stepparent families.

(F) Children who live apart from their biological fathers, on average, are more likely to be poor, experience educational, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than their peers who live with their married, biological mother and father. A child living in a single-parent family is nearly 5 times as likely to be poor as a child living in a married-couple family. In 2001, in married-couple families, the child poverty rate was 8 percent, and in house-holds headed by a single mother, the poverty rate was 39.3 percent.

(G) Since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, child support collections within the child support enforcement system have grown every year, increasing from \$12,000,000,000 in fiscal year 1996 to nearly \$19,000,000,000 in fiscal year 2001. The number of paternities established or acknowledged

in fiscal year 2002 reached an historic high of over 1,500,000—which includes more than a 100 percent increase through in-hospital acknowledgement programs to 790,595 in 2001 from 324,652 in 1996. Child support collections were made in well over 7,000,000 cases in fiscal year 2000, significantly more than the almost 4,000,000 cases having a collection in 1996.

(3) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave States great flexibility in the use of Federal funds to develop innovative programs to help families leave welfare and begin employment and to encourage the formation of 2-parent families.

(A) Total Federal and State TANF expenditures in fiscal year 2001 were \$25,500,000,000, up from \$24,000,000,000 in fiscal year 2000 and \$22,600,000,000 in fiscal year 1999. This increased spending is attributable to significant new investments in supportive services in the TANF program, such as child care and activities to support work.

(B) Since the welfare reform effort began there has been a dramatic increase in work participation (including employment, community

1	service, and work experience) among welfare re-
2	cipients, as well as an unprecedented reduction
3	in the easeload because recipients have left wel-
4	fare for work.
5	(C) States are making policy choices and
6	investment decisions best suited to the needs of
7	their citizens.
8	(i) To expand aid to working families,
9	all States disregard a portion of a family's
10	earned income when determining benefit
11	levels.
12	(ii) Most States increased the limits
13	on countable assets above the former Aid
14	to Families with Dependent Children
15	(AFDC) program. Every State has in-
16	ereased the vehicle asset level above the
17	prior AFDC limit for a family's primary
18	automobile.
19	(iii) States are experimenting with
20	programs to promote marriage and father
21	involvement. Over half the States have
22	eliminated restrictions on 2-parent fami-
23	lies. Many States use TANF, child sup-
24	port, or State funds to support community-
25	based activities to help fathers become

1	more involved in their children's lives or
2	strengthen relationships between mothers
3	and fathers.
4	(4) Therefore, it is the sense of the Congress
5	that increasing success in moving families from wel-
6	fare to work, as well as in promoting healthy mar-
7	riage and other means of improving child well-being,
8	are very important Government interests and the
9	policy contained in part A of title IV of the Social
10	Security Act (as amended by this Act) is intended
11	to serve these ends.
12	TITLE I—TANF
13	SEC. 101. PURPOSES.
14	Section 401(a) (42 U.S.C. 601(a)) is amended—
15	(1) in the matter preceding paragraph (1), by
16	striking "increase" and inserting "improve child
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	well-being by increasing";
18	well-being by increasing"; (2) in paragraph (1), by inserting "and serv-
18 19	
	(2) in paragraph (1), by inserting "and serv-
19	(2) in paragraph (1), by inserting "and services" after "assistance";
19 20	(2) in paragraph (1), by inserting "and services" after "assistance"; (3) in paragraph (2), by striking "parents on
19 20 21	(2) in paragraph (1), by inserting "and services" after "assistance"; (3) in paragraph (2), by striking "parents on government benefits" and inserting "families on gov-
19 20 21 22	(2) in paragraph (1), by inserting "and services" after "assistance"; (3) in paragraph (2), by striking "parents on government benefits" and inserting "families on government benefits and reduce poverty"; and

1 SEC. 102. FAMILY ASSISTANCE GRANTS.

2	(a) Extension of Authority.—Section
3	403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—
4	(1) by striking "1996, 1997, 1998, 1999, 2000,
5	2001, and 2002" and inserting "2004 through
6	2008"; and
7	(2) by inserting "payable to the State for the
8	fiscal year" before the period.
9	(b) STATE FAMILY ASSISTANCE GRANT.—Section
10	403(a)(1) (42 U.S.C. 603(a)(1)) is amended by striking
11	subparagraphs (B) through (E) and inserting the fol-
12	lowing:
13	"(B) STATE FAMILY ASSISTANCE
14	GRANT.—The State family assistance grant
15	payable to a State for a fiscal year shall be the
16	amount that bears the same ratio to the
17	amount specified in subparagraph (C) of this
18	paragraph as the amount required to be paid to
19	the State under this paragraph for fiscal year
20	2002 (determined without regard to any reduc-
21	tion pursuant to section 409 or $412(a)(1)$
22	bears to the total amount required to be paid
23	under this paragraph for fiscal year 2002 (as so
24	determined).
25	"(C) Appropriation.—Out of any money
26	in the Treasury of the United States not other-

1	wise appropriated, there are appropriated for
2	each of fiscal years 2004 through 2008
3	\$16,566,542,000 for grants under this para-
4	graph.".
5	(e) MATCHING GRANTS FOR THE TERRITORIES.—
6	Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by
7	striking "1997 through 2002" and inserting "2004
8	through 2008".
9	SEC. 103. PROMOTION OF FAMILY FORMATION AND
10	HEALTHY MARRIAGE.
11	(a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C.
12	602(a)(1)(A)) is amended by adding at the end the fol-
13	lowing:
14	"(vii) Encourage equitable treatment
15	of married, 2-parent families under the
16	program referred to in clause (i).".
17	(b) HEALTHY MARRIAGE PROMOTION GRANTS; RE-
18	PEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY
19	RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is
20	amended to read as follows:
21	"(2) Healthy marriage promotion
22	GRANTS.—
23	"(A) AUTHORITY.—The Secretary shall
24	award competitive grants to States, territories,
25	and tribal arganizations for not more than 50

1	percent of the cost of developing and imple-
2	menting innovative programs to promote and
3	support healthy, married, 2-parent families.
4	"(B) HEALTHY MARRIAGE PROMOTION AC-
5	TIVITIES.—Funds provided under subparagraph
6	(A) shall be used to support any of the fol-
7	lowing programs or activities:
8	"(i) Public advertising campaigns on
9	the value of marriage and the skills needed
10	to increase marital stability and health.
11	"(ii) Education in high schools on the
12	value of marriage, relationship skills, and
13	budgeting.
14	"(iii) Marriage education, marriage
15	skills, and relationship skills programs,
16	that may include parenting skills, financial
17	management, conflict resolution, and job
18	and eareer advancement, for non-married
19	pregnant women and non-married expect-
20	ant fathers.
21	"(iv) Pre-marital education and mar-
22	riage skills training for engaged couples
23	and for couples or individuals interested in
24	marriage.

1	"(v) Marriage enhancement and mar-
2	riage skills training programs for married
3	couples.
4	"(vi) Divorce reduction programs that
5	teach relationship skills.
6	"(vii) Marriage mentoring programs
7	which use married couples as role models
8	and mentors in at-risk communities.
9	"(viii) Programs to reduce the dis-
10	incentives to marriage in means-tested aid
11	programs, if offered in conjunction with
12	any activity described in this subpara-
13	graph.
14	"(C) APPROPRIATION.—
15	"(i) In General.—Out of any money
16	in the Treasury of the United States not
17	otherwise appropriated, there are appro-
18	priated for each of fiscal years 2003
19	through 2008 \$100,000,000 for grants
20	under this paragraph.
21	"(ii) Extended availability of
22	FY2003 FUNDS.—Funds appropriated
23	under clause (i) for fiscal year 2003 shall
24	remain available to the Secretary through

1	fiscal year 2004, for grants under this
2	paragraph for fiscal year 2003.".
3	(c) Counting of Spending on Non-Eligible
4	Families to Prevent and Reduce Incidence of
5	OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION
6	AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED
7	Families, or Encourage Responsible Father-
8	HOOD.—Section 409(a)(7)(B)(i) (42 U.S.C.
9	609(a)(7)(B)(i)) is amended by adding at the end the fol-
10	lowing:
11	"(V) Counting of spending
12	ON NON-ELIGIBLE FAMILIES TO PRE-
13	VENT AND REDUCE INCIDENCE OF
14	OUT-OF-WEDLOCK BIRTHS, ENCOUR-
15	AGE FORMATION AND MAINTENANCE
16	OF HEALTHY, 2-PARENT MARRIED
17	FAMILIES, OR ENCOURAGE RESPON-
18	SIBLE FATHERHOOD.—The term
19	'qualified State expenditures' includes
20	the total expenditures by the State
21	during the fiscal year under all State
22	programs for a purpose described in
23	paragraph (3) or (4) of section
24	401(a).".

1	SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-
2	CREASES IN CERTAIN STATES.
3	Section $403(a)(3)(H)$ (42 U.S.C. $603(a)(3)(H)$) is
4	amended—
5	(1) in the subparagraph heading, by striking
6	"OF GRANTS FOR FISCAL YEAR 2002";
7	(2) in clause (i), by striking "fiscal year 2002"
8	and inserting "each of fiscal years 2004 through
9	2007";
10	(3) in clause (ii), by striking "2002" and in-
11	serting "2007"; and
12	(4) in clause (iii), by striking "fiscal year
13	2002" and inserting "each of fiscal years 2004
14	through 2007".
15	SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVE-
16	MENT.
17	(a) Reallocation of Funding.—
18	(1) In General.—Section $403(a)(4)$ (42)
19	U.S.C. 603(a)(4)) is amended—
20	(A) in the paragraph heading, by striking
21	"HIGH PERFORMANCE STATES" and inserting
22	"EMPLOYMENT ACHIEVEMENT";
23	(B) in subparagraph (D)(ii)—
24	(i) in subclause (I), by striking
25	"equals \$200,000,000" and inserting
26	"(other than 2003) equals \$200,000,000,

1	and for bonus year 2003 equals
2	\$100,000,000"; and
3	(ii) in subclause (II), by striking
4	"\$1,000,000,000" and inserting
5	"\$900,000,000"; and
6	(C) in subparagraph (F), by striking
7	"\$1,000,000,000" and inserting
8	''\$900,000,000''.
9	(2) EFFECTIVE DATE.—The amendments made
10	by paragraph (1) shall take effect on the date of the
11	enactment of this Act, or September 30, 2003,
12	whichever is earlier.
13	(b) Bonus to Reward Employment Achieve-
14	MENT.—
15	(1) In General. Section $403(a)(4)$ (42)
16	U.S.C. 603(a)(4)) is amended by striking subpara-
17	graphs (A) through (F) and inserting the following:
18	"(A) In General.—The Secretary shall
19	make a grant pursuant to this paragraph to
20	each State for each bonus year for which the
21	State is an employment achievement State.
22	"(B) Amount of Grant.—
23	"(i) In General.—Subject to clause
24	(ii) of this subparagraph, the Secretary
25	shall determine the amount of the grant

1	payable under this paragraph to an em-
2	ployment achievement State for a bonus
3	year, which shall be based on the perform-
4	ance of the State as determined under sub-
5	paragraph (D)(i) for the fiscal year that
6	immediately precedes the bonus year.
7	"(ii) Limitation.—The amount pay-
8	able to a State under this paragraph for a
9	bonus year shall not exceed 5 percent of
10	the State family assistance grant.
11	"(C) FORMULA FOR MEASURING STATE
12	PERFORMANCE.
13	"(i) In General.—Subject to clause
14	(ii), not later than October 1, 2003, the
15	Secretary, in consultation with the States,
16	shall develop a formula for measuring
17	State performance in operating the State
18	program funded under this part so as to
19	achieve the goals of employment entry, job
20	retention, and increased earnings from em-
21	ployment for families receiving assistance
22	under the program, as measured on an ab-

solute basis and on the basis of improve-

ment in State performance.

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1	"(ii) Special rule for bonus year
2	2004.—For the purposes of awarding a
3	bonus under this paragraph for bonus year
4	2004, the Secretary may measure the per-
5	formance of a State in fiscal year 2003
6	using the job entry rate, job retention rate,
7	and earnings gain rate components of the
8	formula developed under section
9	403(a)(4)(C) as in effect immediately be-
10	fore the effective date of this paragraph.
11	"(D) DETERMINATION OF STATE PER-
12	FORMANCE. For each bonus year, the Sec-
13	retary shall—
14	"(i) use the formula developed under
15	subparagraph (C) to determine the per-
16	formance of each eligible State for the fis-
17	eal year that precedes the bonus year; and
18	"(ii) prescribe performance standards
19	in such a manner so as to ensure that—
20	"(I) the average annual total
21	amount of grants to be made under
22	this paragraph for each bonus year
23	equals \$100,000,000; and

1	"(II) the total amount of grants
2	to be made under this paragraph for
3	all bonus years equals \$600,000,000.
4	"(E) Definitions.—In this paragraph:
5	"(i) Bonus Year.—The term bonus
6	year' means each of fiscal years 2004
7	through 2009.
8	"(ii) Employment achievement
9	STATE.—The term 'employment achieve-
10	ment State' means, with respect to a bonus
11	year, an eligible State whose performance
12	determined pursuant to subparagraph
13	(D)(i) for the fiscal year preceding the
14	bonus year equals or exceeds the perform-
15	ance standards prescribed under subpara-
16	graph (D)(ii) for such preceding fiscal
17	year.
18	"(F) APPROPRIATION.—
19	"(i) In General.—Out of any money
20	in the Treasury of the United States not
21	otherwise appropriated, there are appro-
22	priated for fiscal years 2004 through 2009
23	\$600,000,000 for grants under this para-
24	eranh.

1 "(ii) EXTENDED AVAILABILITY 2 PRIOR APPROPRIATION.—Amounts appro-3 priated under section 403(a)(4)(F) of the 4 Social Security Act (as in effect before the 5 date of the enactment of this clause) that 6 have not been expended as of such date of 7 enactment shall remain available through 8 fiscal year 2004 for grants under section 9 403(a)(4) of such Act (as in effect before 10 such date of enactment) for bonus year 11 2003.12 Grants for TRIBAL ORGANIZA-

"(G) Grants for tribal organizations.—This paragraph shall apply with respect to tribal organizations in the same manner in which this paragraph applies with respect to States. In determining the criteria under which to make grants to tribal organizations under this paragraph, the Secretary shall consult with tribal organizations.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1), except for section 403(a)(4)(F)(ii) of the Social Security Act as inserted by the amendment, shall take effect on October 1, 2003.

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1 SEC. 106. CONTINGENCY FUND.

2	(a) Deposits Into Fund.—Section 403(b)(2) (42
3	U.S.C. 603(b)(2)) is amended—
4	(1) by striking "1997, 1998, 1999, 2000, 2001,
5	and 2002" and inserting "2004 through 2008"; and
6	(2) by striking all that follows
7	"\$2,000,000,000" and inserting a period.
8	(b) Grants.—Section 403(b)(3)(C)(ii) (42 U.S.C.
9	603(b)(3)(C)(ii)) is amended by striking "fiscal years
10	1997 through 2002" and inserting "fiscal years 2004
11	through 2008".
12	(e) Definition of Needy State.—Clauses (i) and
13	(ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are
14	amended by inserting after "1996" the following: ", and
15	the Food Stamp Act of 1977 as in effect during the cor-
16	responding 3-month period in the fiscal year preceding
17	such most recently concluded 3-month period,".
18	(d) Annual Reconciliation: Federal Matching
19	OF STATE EXPENDITURES ABOVE "MAINTENANCE OF
20	EFFORT'' LEVEL. Section 403(b)(6) (42 U.S.C.
21	603(b)(6)) is amended—
22	(1) in subparagraph (A)(ii)—
23	(A) by adding "and" at the end of sub-
24	clause (I);
25	(B) by striking "; and" at the end of sub-
26	clause (II) and inserting a period; and

1	(C) by striking subclause (III);
2	(2) in subparagraph (B)(i)(H), by striking all
3	that follows "section 409(a)(7)(B)(iii))" and insert-
4	ing a period;
5	(3) by amending subparagraph (B)(ii)(I) to
6	read as follows:
7	"(I) the qualified State expendi-
8	tures (as defined in section
9	409(a)(7)(B)(i) for the fiscal year;
10	plus"; and
11	(4) by striking subparagraph (C).
12	(e) Consideration of Certain Child Care Ex-
13	PENDITURES IN DETERMINING STATE COMPLIANCE
14	WITH CONTINGENCY FUND MAINTENANCE OF EFFORT
15	REQUIREMENT. Section 409(a)(10) (42 U.S.C.
16	609(a)(10)) is amended—
17	(1) by striking "(other than the expenditures
18	described in subclause (I)(bb) of that paragraph))
19	under the State program funded under this part"
20	and inserting a close parenthesis; and
21	(2) by striking "excluding any amount ex-
22	pended by the State for child care under subsection
23	(g) or (i) of section 402 (as in effect during fiscal
24	vear 1994) for fiscal year 1994."

1	(f) EFFECTIVE DATE.—The amendments made by
2	this section shall take effect on October 1, 2003.
3	SEC. 107. USE OF FUNDS.
4	(a) General Rules.—Section 404(a)(2) (42 U.S.C.
5	604(a)(2)) is amended by striking "in any manner that"
6	and inserting "for any purposes or activities for which".
7	(b) Treatment of Interstate Immigrants.—
8	(1) STATE PLAN PROVISION.—Section
9	402(a)(1)(B) (42 U.S.C. $602(a)(1)(B)$) is amended
10	by striking clause (i) and redesignating clauses (ii)
11	through (iv) as clauses (i) through (iii), respectively.
12	(2) USE OF FUNDS.—Section 404 (42 U.S.C.
13	604) is amended by striking subsection (e).
14	(e) Increase in Amount Transferable to Child
15	Care.—Section $404(d)(1)$ (42 U.S.C. $604(d)(1)$) is
16	amended by striking "30" and inserting "50".
17	(d) Increase in Amount Transferable to Title
18	XX Programs.—Section 404(d)(2)(B) (42 U.S.C.
19	604(d)(2)(B)) is amended to read as follows:
20	"(B) APPLICABLE PERCENT.—For pur-
21	poses of subparagraph (A), the applicable per-
22	cent is 10 percent for fiscal year 2004 and each
23	succeeding fiscal year.".
24	(e) Clarification of Authority of States To
25	USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS

- 1 To Provide TANF BENEFITS AND SERVICES.—Section
- 2 404(e) (42 U.S.C. 604(e)) is amended to read as follows:
- 3 "(e) Authority To Carryover or Reserve Cer-
- 4 TAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FU-
- 5 Ture Contingencies.—
- 6 "(1) CARRYOVER.—A State or tribe may use a
 7 grant made to the State or tribe under this part for
 8 any fiscal year to provide, without fiscal year limita9 tion, any benefit or service that may be provided
 10 under the State or tribal program funded under this
 11 part.
- "(2) Contingency reserve.—A State or tribe 12 13 may designate any portion of a grant made to the 14 State or tribe under this part as a contingency re-15 serve for future needs, and may use any amount so 16 designated to provide, without fiscal year limitation, 17 any benefit or service that may be provided under 18 the State or tribal program funded under this part. 19 If a State or tribe so designates a portion of such 20 a grant, the State shall, on an annual basis, include 21 in its report under section 411(a) the amount so 22 designated.".

1	SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE
2	PROGRAMS.
3	(a) Repeal.—Section 406 (42 U.S.C. 606) is re-
4	pealed.
5	(b) Conforming Amendments.—
6	(1) Section 409(a) (42 U.S.C. 609(a)) is
7	amended by striking paragraph (6).
8	(2) Section 412 (42 U.S.C. 612) is amended by
9	striking subsection (f) and redesignating subsections
10	(g) through (i) as subsections (f) through (h), re-
11	spectively.
12	(3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2))
13	is amended by striking "406,".
14	SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-
1415	SEC. 109. UNIVERSAL ENGAGEMENT AND FAMILY SELF- SUFFICIENCY PLAN REQUIREMENTS.
15	SUFFICIENCY PLAN REQUIREMENTS.
15 16 17	SUFFICIENCY PLAN REQUIREMENTS. (a) Modification of State Plan Require-
15 16 17 18	SUFFICIENCY PLAN REQUIREMENTS. (a) Modification of State Plan Requirements. MENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A))
15 16 17 18	SUFFICIENCY PLAN REQUIREMENTS. (a) Modification of State Plan Requirements.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting
15 16 17 18 19	SUFFICIENCY PLAN REQUIREMENTS. (a) Modification of State Plan Requirements. MENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following:
15 16 17 18 19 20	SUFFICIENCY PLAN REQUIREMENTS. (a) Modification of State Plan Require- MENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following: "(ii) Require a parent or caretaker re-
15 16 17 18 19 20 21	sufficiency plan requirements. (a) Modification of State Plan Requirements. Ments.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following: "(ii) Require a parent or caretaker receiving assistance under the program to
15 16 17 18 19 20 21 22	SUFFICIENCY PLAN REQUIREMENTS. (a) Modification of State Plan Require- MENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following: "(ii) Require a parent or earetaker receiving assistance under the program to engage in work or alternative self-suffi-
15 16 17 18 19 20 21 22 23	SUFFICIENCY PLAN REQUIREMENTS. (a) Modification of State Plan Requirements. MENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following: "(ii) Require a parent or caretaker receiving assistance under the program to engage in work or alternative self-sufficiency activities (as defined by the State),

1	tivities in accordance with family self-suffi-
2	ciency plans developed pursuant to section
3	408(b).".
4	(b) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY
5	Plans.—
6	(1) In General. Section 408(b) (42 U.S.C.
7	608(b)) is amended to read as follows:
8	"(b) Family Self-Sufficiency Plans.—
9	"(1) In General.—A State to which a grant
10	is made under section 403 shall—
11	"(A) assess, in the manner deemed appro-
12	priate by the State, the skills, prior work expe-
13	rience, and employability of each work-eligible
14	individual (as defined in section 407(b)(2)(C))
15	receiving assistance under the State program
16	funded under this part;
17	"(B) establish for each family that in-
18	eludes such an individual, in consultation as the
19	State deems appropriate with the individual, a
20	self-sufficiency plan that specifies appropriate
21	activities described in the State plan submitted
22	pursuant to section 402, including direct work
23	activities as appropriate designed to assist the
24	family in achieving their maximum degree of
25	self-sufficiency, and that provides for the ongo-

1	ing participation of the individual in the activi-
2	ties;
3	"(C) require, at a minimum, each such in-
4	dividual to participate in activities in accord-
5	ance with the self-sufficiency plan;
6	"(D) monitor the participation of each
7	such individual in the activities specified in the
8	self sufficiency plan, and regularly review the
9	progress of the family toward self-sufficiency;
10	"(E) upon such a review, revise the self-
11	sufficiency plan and activities as the State
12	deems appropriate.
13	"(2) TIMING.—The State shall comply with
14	paragraph (1) with respect to a family—
15	"(A) in the case of a family that, as of Oc-
16	tober 1, 2003, is not receiving assistance from
17	the State program funded under this part, not
18	later than 60 days after the family first receives
19	assistance on the basis of the most recent appli-
20	cation for the assistance; or
21	"(B) in the case of a family that, as of
22	such date, is receiving the assistance, not later
23	than 12 months after the date of enactment of
24	this subsection

1	"(3) STATE DISCRETION.—A State shall have
2	sole discretion, consistent with section 407, to define
3	and design activities for families for purposes of this
4	subsection, to develop methods for monitoring and
5	reviewing progress pursuant to this subsection, and
6	to make modifications to the plan as the State
7	deems appropriate to assist the individual in increas-
8	ing their degree of self-sufficiency.
9	"(4) Rule of interpretation. Nothing in
10	this part shall preclude a State from requiring par-
11	ticipation in work and any other activities the State
12	deems appropriate for helping families achieve self-
13	sufficiency and improving child well-being.".
14	(2) Penalty for failure to establish
15	FAMILY SELF-SUFFICIENCY PLAN. Section
16	409(a)(3) (42 U.S.C. 609(a)(3)) is amended—
17	(A) in the paragraph heading, by inserting
18	"OR ESTABLISH FAMILY SELF-SUFFICIENCY
19	PLAN" after "RATES"; and
20	(B) in subparagraph (A), by inserting "or
21	408(b)" after "407(a)".
22	SEC. 110. WORK PARTICIPATION REQUIREMENTS.
23	(a) Elimination of Separate Participation
24	RATE REQUIREMENTS FOR 2-PARENT FAMILIES.—
25	(1) In General.—

1	(A) Section 407 (42 U.S.C. 607) is amend-
2	ed in each of subsections (a) and (b) by striking
3	paragraph (2).
4	(B) Section 407(b)(4) (42 U.S.C.
5	607(b)(4)) is amended by striking "paragraphs
6	(1)(B) and (2)(B)" and inserting "paragraph
7	(1)(B)".
8	(C) Section $407(e)(1)$ (42 U.S.C.
9	607(e)(1) is amended by striking subparagraph
10	(B).
11	(D) Section $407(e)(2)(D)$ (42 U.S.C.
12	607(e)(2)(D)) is amended by striking "para-
13	graphs (1)(B)(i) and (2)(B) of subsection (b)"
14	and inserting "subsection (b)(1)(B)(i)".
15	(2) Effective date.—The amendments made
16	by paragraph (1) shall take effect on October 1,
17	2002.
18	(b) Work Participation Requirements.—Section
19	407 (42 U.S.C. 607) is amended by striking all that pre-
20	eedes subsection (b)(3) and inserting the following:
21	"SEC. 407. WORK PARTICIPATION REQUIREMENTS.
22	"(a) Participation Rate Requirements.—A
23	State to which a grant is made under section 403 for a
24	fiscal year shall achieve a minimum participation rate
25	equal to not less than—

1	"(1) 50 percent for fiscal year 2004;
2	"(2) 55 percent for fiscal year 2005;
3	"(3) 60 percent for fiscal year 2006;
4	"(4) 65 percent for fiscal year 2007; and
5	"(5) 70 percent for fiscal year 2008 and each
6	succeeding fiscal year.
7	"(b) CALCULATION OF PARTICIPATION RATES.—
8	"(1) AVERAGE MONTHLY RATE.—For purposes
9	of subsection (a), the participation rate of a State
10	for a fiscal year is the average of the participation
11	rates of the State for each month in the fiscal year
12	"(2) Monthly Participation Rates; incor-
13	PORATION OF 40-HOUR WORK WEEK STANDARD.—
14	"(A) In General.—For purposes of para-
15	graph (1), the participation rate of a State for
16	a month is—
17	"(i) the total number of countable
18	hours (as defined in subsection (e)) with
19	respect to the counted families for the
20	State for the month; divided by
21	"(ii) 160 multiplied by the number of
22	counted families for the State for the
23	month.
24	"(B) COUNTED FAMILIES DEFINED.—

1	"(i) In General.—In subparagraph
2	(A), the term 'counted family' means, with
3	respect to a State and a month, a family
4	that includes a work-eligible individual and
5	that receives assistance in the month under
6	the State program funded under this part,
7	subject to clause (ii).
8	"(ii) State option to exclude
9	CERTAIN FAMILIES.—At the option of a
10	State, the term 'counted family' shall not
11	include—
12	"(I) a family in the first month
13	for which the family receives assist-
14	ance from a State program funded
15	under this part on the basis of the
16	most recent application for such as-
17	sistance; or
18	"(H) on a case-by-case basis, a
19	family in which the youngest child has
20	not attained 12 months of age.
21	"(iii) State option to include in-
22	DIVIDUALS RECEIVING ASSISTANCE UNDER
23	A TRIBAL FAMILY ASSISTANCE PLAN OR
24	TRIBAL WORK PROGRAM.—At the option of
25	a State, the term 'counted family' may in-

1	clude families in the State that are receiv-
2	ing assistance under a tribal family assist-
3	ance plan approved under section 412 or
4	under a tribal work program to which
5	funds are provided under this part.
6	"(C) Work-eligible individual de-
7	FINED.—In this section, the term 'work-eligible
8	individual' means an individual—
9	"(i) who is married or a single head
10	of household; and
11	"(ii) whose needs are (or, but for
12	sanctions under this part that have been in
13	effect for more than 3 months (whether or
14	not consecutive) in the preceding 12
15	months or under part D, would be) in-
16	eluded in determining the amount of eash
17	assistance to be provided to the family
18	under the State program funded under this
19	part.".
20	(e) RECALIBRATION OF CASELOAD REDUCTION
21	Credit.—
22	(1) In General.—Section 407(b)(3)(A)(ii) (42
23	U.S.C. 607(b)(3)(A)(ii)) is amended to read as fol-
24	lows:

1	"(ii) the average monthly number of
2	families that received assistance under the
3	State program funded under this part dur-
4	ing the base year.".
5	(2) Conforming Amendment.—Section
6	407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended
7	by striking "and eligibility criteria" and all that fol-
8	lows through the close parenthesis and inserting
9	"and the eligibility criteria in effect during the then
10	applicable base year''.
11	(3) Base year defined.—Section 407(b)(3)
12	(42 U.S.C. 607(b)(3)) is amended by adding at the
13	end the following:
14	"(C) Base Year Defined.—In this para-
15	graph, the term 'base year' means, with respect
16	to a fiscal year—
17	"(I) if the fiscal year is fiscal
18	year 2004, fiscal year 1996;
19	"(H) if the fiscal year is fiscal
20	year 2005, fiscal year 1998;
21	"(III) if the fiscal year is fiscal
22	year 2006, fiscal year 2001; or
23	"(IV) if the fiscal year is fiscal
24	year 2007 or any succeeding fiscal

1	year, the then 4th preceding fiscal
2	year.".
3	(d) Superachiever Credit. Section 407(b) (42
4	U.S.C. 607(b)) is amended by striking paragraphs (4) and
5	(5) and inserting the following:
6	"(4) Superachiever credit.—
7	"(A) In GENERAL.—The participation
8	rate, determined under paragraphs (1) and (2)
9	of this subsection, of a superachiever State for
10	a fiscal year shall be increased by the lesser
11	of —
12	"(i) the amount (if any) of the super-
13	achiever credit applicable to the State; or
14	"(ii) the number of percentage points
15	(if any) by which the minimum participa-
16	tion rate required by subsection (a) for the
17	fiscal year exceeds 50 percent.
18	"(B) Superachiever state. For pur-
19	poses of subparagraph (A), a State is a super-
20	achiever State if the State easeload for fiscal
21	year 2001 has declined by at least 60 percent
22	from the State caseload for fiscal year 1995.
23	"(C) Amount of credit.—The super-
24	achiever eredit applicable to a State is the num-
25	ber of percentage points (if any) by which the

1	decline referred to in subparagraph (B) exceeds
2	60 percent.
3	"(D) Definitions.—In this paragraph:
4	"(i) STATE CASELOAD FOR FISCAL
5	YEAR 2001.—The term 'State caseload for
6	fiscal year 2001' means the average
7	monthly number of families that received
8	assistance during fiscal year 2001 under
9	the State program funded under this part.
10	"(ii) State caseload for fiscal
11	YEAR 1995.—The term 'State caseload for
12	fiscal year 1995' means the average
13	monthly number of families that received
14	aid under the State plan approved under
15	part A (as in effect on September 30,
16	1995) during fiscal year 1995.".
17	(e) Countable Hours.—Section 407 of such Act
18	(42 U.S.C. 607) is amended by striking subsections (e)
19	and (d) and inserting the following:
20	"(e) Countable Hours.—
21	"(1) DEFINITION. In subsection $(b)(2)$, the
22	term 'countable hours' means, with respect to a fam-
23	ily for a month, the total number of hours in the
24	month in which any member of the family who is a
25	work-eligible individual is engaged in a direct work

1	activity or other activities specified by the State (ex-
2	cluding an activity that does not address a purpose
3	specified in section 401(a)), subject to the other pro-
4	visions of this subsection.
5	"(2) Limitations.—Subject to such regula-
6	tions as the Secretary may prescribe:
7	"(A) MINIMUM WEEKLY AVERAGE OF 24
8	HOURS OF DIRECT WORK ACTIVITIES RE-
9	QUIRED.—If the work-eligible individuals in a
10	family are engaged in a direct work activity for
11	an average total of fewer than 24 hours per
12	week in a month, then the number of countable
13	hours with respect to the family for the month
14	shall be zero.
15	"(B) MAXIMUM WEEKLY AVERAGE OF 16
16	HOURS OF OTHER ACTIVITIES.—An average of
17	not more than 16 hours per week of activities
18	specified by the State (subject to the exclusion
19	described in paragraph (1)) may be considered
20	countable hours in a month with respect to a
21	family.
22	"(3) Special rules.—For purposes of para-
23	graph (1):
24	"(A) PARTICIPATION IN QUALIFIED AC-
25	TIVITIES.—

1	"(i) IN GENERAL.—If, with the ap-
2	proval of the State, the work-eligible indi-
3	viduals in a family are engaged in 1 or
4	more qualified activities for an average
5	total of at least 24 hours per week in a
6	month, then all such engagement in the
7	month shall be considered engagement in a
8	direct work activity, subject to clause (iii).
9	"(ii) Qualified activity de-
10	FINED.—The term 'qualified activity'
11	means an activity specified by the State
12	(subject to the exclusion described in para-
13	graph (1)) that meets such standards and
14	criteria as the State may specify, includ-
15	ing
16	"(I) substance abuse counseling
17	or treatment;
18	"(II) rehabilitation treatment
19	and services;
20	"(III) work-related education or
21	training directed at enabling the fam-
22	ily member to work;
23	"(IV) job search or job readiness
24	assistance; and

1	"(V) any other activity that ad-
2	dresses a purpose specified in section
3	401(a).
4	"(iii) Limitation.—
5	"(I) IN GENERAL.—Except as
6	provided in subclause (II), clause (i)
7	shall not apply to a family for more
8	than 3 months in any period of 24
9	consecutive months.
10	"(H) Special rule applicable
11	TO EDUCATION AND TRAINING.—A
12	State may, on a case-by-case basis,
13	apply clause (i) to a work-eligible indi-
14	vidual so that participation by the in-
15	dividual in education or training, if
16	needed to permit the individual to
17	complete a certificate program or
18	other work-related education or train-
19	ing directed at enabling the individual
20	to fill a known job need in a local
21	area, may be considered countable
22	hours with respect to the family of the
23	individual for not more than 4 months
24	in any period of 24 consecutive
25	months.

1	"(B) SCHOOL ATTENDANCE BY TEEN
2	HEAD OF HOUSEHOLD.—The work-eligible
3	members of a family shall be considered to be
4	engaged in a direct work activity for an average
5	of 40 hours per week in a month if the family
6	includes an individual who is married, or is a
7	single head of household, who has not attained
8	20 years of age, and the individual—
9	"(i) maintains satisfactory attendance
10	at secondary school or the equivalent in
11	the month; or
12	"(ii) participates in education directly
13	related to employment for an average of at
14	least 20 hours per week in the month.
15	"(d) DIRECT WORK ACTIVITY.—In this section, the
16	term 'direct work activity' means—
17	"(1) unsubsidized employment;
18	"(2) subsidized private sector employment;
19	"(3) subsidized public sector employment;
20	"(4) on-the-job training;
21	"(5) supervised work experience; or
22	"(6) supervised community service.".
23	(f) Penalties Against Individuals.—Section
24	407(e)(1) (42 U.S.C. $607(e)(1)$) is amended to read as
25	follows:

1	"(1) REDUCTION OR TERMINATION OF ASSIST-
2	ANCE.—
3	"(A) In General.—Except as provided in
4	paragraph (2), if an individual in a family re-
5	ceiving assistance under a State program fund-
6	ed under this part fails to engage in activities
7	required in accordance with this section, or
8	other activities required by the State under the
9	program, and the family does not otherwise en-
10	gage in activities in accordance with the self-
11	sufficiency plan established for the family pur-
12	suant to section 408(b), the State shall—
13	"(i) if the failure is partial or persists
14	for not more than 1 month—
15	"(I) reduce the amount of assist-
16	ance otherwise payable to the family
17	pro rata (or more, at the option of the
18	State) with respect to any period dur-
19	ing a month in which the failure oc-
20	curs; or
21	"(II) terminate all assistance to
22	the family, subject to such good cause
23	exceptions as the State may establish;
24	Θ r

1 "(ii) if the failure is total and persists 2 for at least 2 consecutive months, termi-3 nate all eash payments to the family in-4 cluding qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for at 6 least 1 month and thereafter until the 7 State determines that the individual has 8 resumed full participation in the activities, subject to such good cause exceptions as 9 10 the State may establish. 11 "(B) SPECIAL RULE.— 12 "(i) IN GENERAL.—In the event of a 13 conflict between a requirement of clause 14 (i)(II) or (ii) of subparagraph (A) and a 15 requirement of a State constitution, or of 16 a State statute that, before 1966, obligated 17 local government to provide assistance to 18 needy parents and children, the State con-19 stitutional or statutory requirement shall 20 control. 21 "(ii) LIMITATION.—Clause (i) of this 22 subparagraph shall not apply after the 1-23 year period that begins with the date of 24 the enactment of this subparagraph.".

(g) Conforming Amendments.—

1	(1) Section 407(f) (42 U.S.C. 607(f)) is amend-
2	ed in each of paragraphs (1) and (2) by striking
3	"work activity described in subsection (d)" and in-
4	serting "direct work activity".
5	(2) The heading of section $409(a)(14)$ (42)
6	U.S.C. 609(a)(14)) is amended by inserting "OR RE-
7	FUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY
8	SELF-SUFFICIENCY PLAN" after "WORK".
9	(h) EFFECTIVE DATE. The amendments made by
10	this section (other than subsection (a)) shall take effect
11	on October 1, 2003.
12	SEC. 111. MAINTENANCE OF EFFORT.
13	(a) In General.—Section 409(a)(7) (42 U.S.C.
14	609(a)(7)) is amended—
15	(1) in subparagraph (A) by striking "fiscal year
16	1998, 1999, 2000, 2001, 2002, or 2003" and insert-
17	ing "fiscal year 2003, 2004, 2005, 2006, 2007,
18	2008, or 2009"; and
19	(2) in subparagraph (B)(ii)—
20	(A) by inserting "preceding" before "fiscal
21	year''; and
22	(B) by striking "for fiscal years 1997
23	through 2002,".
24	(b) STATE SPENDING ON PROMOTING HEALTHY
25	Marriage.—

1	(1) In General.—Section 404 (42 U.S.C. 604)
2	is amended by adding at the end the following:
3	"(1) Marriage Promotion.—A State, territory, or
4	tribal organization to which a grant is made under section
5	403(a)(2) may use a grant made to the State, territory,
6	or tribal organization under any other provision of section
7	403 for marriage promotion activities, and the amount of
8	any such grant so used shall be considered State funds
9	for purposes of section 403(a)(2).".
10	(2) Federal tanf funds used for mar-
11	RIAGE PROMOTION DISREGARDED FOR PURPOSES OF
12	MAINTENANCE OF EFFORT REQUIREMENT.—Section
13	409(a)(7)(B)(i) (42 U.S.C. $609(a)(7)(B)(i)$), as
14	amended by section 103(e) of this Act, is amended
15	by adding at the end the following:
16	"(VI) Exclusion of Federal
17	TANF FUNDS USED FOR MARRIAGE
18	PROMOTION ACTIVITIES.—Such term
19	does not include the amount of any
20	grant made to the State under section
21	403 that is expended for a marriage
22	promotion activity.".
23	SEC. 112. PERFORMANCE IMPROVEMENT.
24	(a) STATE PLANS. Section 402(a) (42 U.S.C.
2.5	602(a)) is amended—

1	(1) in paragraph (1)—
2	(A) in subparagraph (A) —
3	(i) by redesignating clause (vi) and
4	elause (vii) (as added by section 103(a) of
5	this Act) as clauses (vii) and (viii), respec-
6	tively; and
7	(ii) by striking clause (v) and insert-
8	ing the following:
9	"(v) The document shall—
10	"(I) describe how the State will
11	pursue ending dependence of needy
12	families on government benefits and
13	reducing poverty by promoting job
14	preparation and work;
15	"(II) describe how the State will
16	encourage the formation and mainte-
17	nance of healthy 2-parent married
18	families, encourage responsible father-
19	hood, and prevent and reduce the inci-
20	dence of out-of-wedlock pregnancies;
21	"(III) include specific, numerical,
22	and measurable performance objec-
23	tives for accomplishing subclauses (I)
24	and (II), and with respect to sub-
25	elause (I), include objectives con-

1	sistent with the criteria used by the
2	Secretary in establishing performance
3	targets under section 403(a)(4)(B) if
4	available; and
5	"(IV) describe the methodology
6	that the State will use to measure
7	State performance in relation to each
8	such objective.
9	"(vi) Describe any strategies and pro-
10	grams the State may be undertaking to ad-
11	dress
12	"(I) employment retention and
13	advancement for recipients of assist-
14	ance under the program, including
15	placement into high-demand jobs, and
16	whether the jobs are identified using
17	labor market information;
18	"(II) efforts to reduce teen preg-
19	nancy;
20	"(III) services for struggling and
21	noncompliant families, and for elients
22	with special problems; and
23	"(IV) program integration, in-
24	eluding the extent to which employ-
25	ment and training services under the

1	program are provided through the
2	One-Stop delivery system created
3	under the Workforce Investment Act
4	of 1998, and the extent to which
5	former recipients of such assistance
6	have access to additional core, inten-
7	sive, or training services funded
8	through such Act."; and
9	(B) in subparagraph (B), by striking
10	elause (iii) (as so redesignated by section
11	107(b)(1) of this Act) and inserting the fol-
12	lowing:
13	"(iii) The document shall describe
14	strategies and programs the State is un-
15	dertaking to engage religious organizations
16	in the provision of services funded under
17	this part and efforts related to section 104
18	of the Personal Responsibility and Work
19	Opportunity Reconciliation Act of 1996.
20	"(iv) The document shall describe
21	strategies to improve program manage-
22	ment and performance."; and
23	(2) in paragraph (4), by inserting "and tribal"
24	after "that local".

1 (b) Consultation With State Regarding Plan 2 AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1) 3 (42 U.S.C. 612(b)(1)) is amended— 4 (1) by striking "and" at the end of subpara-5 graph (E); 6 (2) by striking the period at the end of sub-7 paragraph (F) and inserting "; and"; and 8 (3) by adding at the end the following: 9 "(G) provides an assurance that the State 10 in which the tribe is located has been consulted 11 regarding the plan and its design.". 12 (c) Performance Measures.—Section 413 (42) U.S.C. 613) is amended by adding at the end the fol-14 lowing: 15 "(k) Performance Improvement.—The Secretary, in consultation with the States, shall develop uniform performance measures designed to assess the degree of effectiveness, and the degree of improvement, of State programs funded under this part in accomplishing the purposes of this part.". 21 (d) ANNUAL RANKING STATES.—Section Θ F 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking "long-term private sector jobs" and inserting "private sector jobs, the success of the recipients in retaining employment, the ability of the recipients to increase their wages".

SEC. 113. DATA COLLECTION AND REPORTING. 2 (a) CONTENTS OF REPORT.—Section 411(a)(1)(A) 3 (42 U.S.C. 611(a)(1)(A)) is amended— 4 (1) in the matter preceding clause (i), by insert-5 ing "and on families receiving assistance under 6 State programs funded with other qualified State expenditures (as defined in section 409(a)(7)(B))" be-7 8 fore the colon; 9 (2) in clause (vii), by inserting "and minor parent" after "of each adult"; 10 11 (3) in clause (viii), by striking "and educational level"; 12 (4) in clause (ix), by striking ", and if the lat-13 ter 2, the amount received"; 14 15 (5) in clause (x)— (A) by striking "each type of"; and 16 17 (B) by inserting before the period "and, if 18 applicable, the reason for receipt of the assist-19 ance for a total of more than 60 months"; 20 (6) in clause (xi), by striking the subclauses 21 and inserting the following: "(I) Subsidized private 22 23 employment. 24 "(H) Unsubsidized employment.

1	"(III) Public sector employment,
2	supervised work experience, or super-
3	vised community service.
4	"(IV) On-the-job training.
5	"(V) Job search and placement.
6	"(VI) Training.
7	"(VII) Education.
8	"(VIII) Other activities directed
9	at the purposes of this part, as speci-
10	fied in the State plan submitted pur-
11	suant to section 402.";
12	(7) in clause (xii), by inserting "and progress
13	toward universal engagement" after "participation
14	rates";
15	(8) in clause (xiii), by striking "type and" be-
16	fore "amount of assistance";
17	(9) in clause (xvi), by striking subclause (II)
18	and redesignating subclauses (III) through (V) as
19	subclauses (II) through (IV), respectively; and
20	(10) by adding at the end the following:
21	"(xviii) The date the family first re-
22	ceived assistance from the State program
23	on the basis of the most recent application
24	for such assistance.

1	"(xix) Whether a self-sufficiency plan
2	is established for the family in accordance
3	with section 408(b).
4	"(xx) With respect to any child in the
5	family, the marital status of the parents at
6	the birth of the child, and if the parents
7	were not then married, whether the pater-
8	nity of the child has been established.".
9	(b) USE OF SAMPLES.—Section 411(a)(1)(B) (42
10	U.S.C. 611(a)(1)(B)) is amended—
11	(1) in clause (i)—
12	(A) by striking "a sample" and inserting
13	"samples"; and
14	(B) by inserting before the period ", except
15	that the Secretary may designate core data ele-
16	ments that must be reported on all families"
17	and
18	(2) in clause (ii), by striking "funded under this
19	part" and inserting "described in subparagraph
20	(A)".
21	(e) REPORT ON FAMILIES THAT BECOME INELL
22	GIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42)
23	U.S.C. 611(a)) is amended—
24	(1) by striking paragraph (5);

1	(2) by redesignating paragraph (6) as para-
2	graph (5); and
3	(3) by inserting after paragraph (5) (as so re-
4	designated) the following:
5	"(6) REPORT ON FAMILIES THAT BECOME IN-
6	ELIGIBLE TO RECEIVE ASSISTANCE.—The report re-
7	quired by paragraph (1) for a fiscal quarter shall in-
8	clude for each month in the quarter the number of
9	families and total number of individuals that, during
10	the month, became ineligible to receive assistance
11	under the State program funded under this part
12	(broken down by the number of families that become
13	so ineligible due to earnings, changes in family com-
14	position that result in increased earnings, sanctions,
15	time limits, or other specified reasons).".
16	(d) Regulations.—Section 411(a)(7) (42 U.S.C.
17	611(a)(7)) is amended—
18	(1) by inserting "and to collect the necessary
19	data" before "with respect to which reports";
20	(2) by striking "subsection" and inserting "sec-
21	tion"; and
22	(3) by striking "in defining the data elements"
23	and all that follows and inserting ", the National
24	Governors' Association, the American Public Human
25	Services Association, the National Conference of

- 1 State Legislatures, and others in defining the data
- 2 elements.".
- 3 (e) Additional Reports by States.—Section 411
- 4 (42 U.S.C. 611) is amended—
- 5 (1) by redesignating subsection (b) as sub-
- 6 section (e); and
- 7 (2) by inserting after subsection (a) the fol-
- 8 lowing:
- 9 "(b) Annual Reports on Program Characteris-
- 10 TICS.—Not later than 90 days after the end of fiscal year
- 11 2004 and each succeeding fiscal year, each eligible State
- 12 shall submit to the Secretary a report on the characteris-
- 13 ties of the State program funded under this part and other
- 14 State programs funded with qualified State expenditures
- 15 (as defined in section 409(a)(7)(B)(i)). The report shall
- 16 include, with respect to each such program, the program
- 17 name, a description of program activities, the program
- 18 purpose, the program eligibility criteria, the sources of
- 19 program funding, the number of program beneficiaries,
- 20 sanction policies, and any program work requirements.
- 21 "(e) Monthly Reports on Caseload.—Not later
- 22 than 3 months after the end of a calendar month that
- 23 begins 1 year or more after the enactment of this sub-
- 24 section, each eligible State shall submit to the Secretary
- 25 a report on the number of families and total number of

- 1 individuals receiving assistance in the calendar month
- 2 under the State program funded under this part.
- 3 "(d) Annual Report on Performance Improve-
- 4 MENT.—Beginning with fiscal year 2005, not later than
- 5 January 1 of each fiscal year, each eligible State shall sub-
- 6 mit to the Secretary a report on achievement and improve-
- 7 ment during the preceding fiscal year under the numerical
- 8 performance goals and measures under the State program
- 9 funded under this part with respect to each of the matters
- 10 described in section 402(a)(1)(A)(v).".
- 11 (f) Annual Reports to Congress by the Sec-
- 12 RETARY.—Section 411(e), as so redesignated by sub-
- 13 section (e) of this section, is amended—
- 14 (1) in the matter preceding paragraph (1), by
- striking "and each fiscal year thereafter" and insert-
- ing "and by July 1 of each fiscal year thereafter";
- 17 (2) in paragraph (2), by striking "families ap-
- 18 plying for assistance," and by striking the last
- 19 comma; and
- 20 (3) in paragraph (3), by inserting "and other
- 21 programs funded with qualified State expenditures
- 22 (as defined in section 409(a)(7)(B)(i))" before the
- 23 semicolon.

- 1 (g) Increased Analysis of State Single Audit
- 2 Reports.—Section 411 (42 U.S.C. 611) is amended by
- 3 adding at the end the following:
- 4 "(f) Increased Analysis of State Single Audit
- 5 Reports.
- 6 "(1) IN GENERAL.—Within 3 months after a 7 State submits to the Secretary a report pursuant to section 7502(a)(1)(A) of title 31, United States 8 9 Code, the Secretary shall analyze the report for the 10 purpose of identifying the extent and nature of prob-11 lems related to the oversight by the State of non-12 governmental entities with respect to contracts en-13 tered into by such entities with the State program 14 funded under this part, and determining what addi-15 tional actions may be appropriate to help prevent 16 and correct the problems.
 - "(2) INCLUSION OF PROGRAM OVERSIGHT SEC-TION IN ANNUAL REPORT TO THE CONGRESS.—The Secretary shall include in each report under subsection (e) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems referred to in paragraph (1), actions taken to resolve the problems, and to the extent the Secretary deems appropriate make

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1	recommendations on changes needed to resolve the
2	problems.''.
3	SEC. 114. DIRECT FUNDING AND ADMINISTRATION BY IN-
4	DIAN TRIBES.
5	(a) Tribal Family Assistance Grant.—Section
6	412(a)(1)(A) (42 U.S.C. $612(a)(1)(A)$) is amended by
7	striking "1997, 1998, 1999, 2000, 2001, and 2002" and
8	inserting "2004 through 2008".
9	(b) Grants for Indian Tribes That Received
10	JOBS Funds.—Section 412(a)(2)(A) (42 U.S.C.
11	612(a)(2)(A)) is amended by striking "1997, 1998, 1999,
12	2000, 2001, and 2002" and inserting "2004 through
13	2008".
14	SEC. 115. RESEARCH, EVALUATIONS, AND NATIONAL STUD-
15	IES.
1516	(a) Secretary's Fund for Research, Dem-
16	
16 17	(a) Secretary's Fund for Research, Dem-
16 17	(a) Secretary's Fund for Research, Demonstrations, and Technical Assistance.—Section
16 17 18	(a) Secretary's Fund for Research, Demonstrations, and Technical Assistance.—Section 413 (42 U.S.C. 613), as amended by section 112(e) of
16 17 18 19	(a) Secretary's Fund for Research, Demonstrations, and Technical Assistance.—Section 413 (42 U.S.C. 613), as amended by section 112(e) of this Act, is further amended by adding at the end the fol-
16 17 18 19 20 21	(a) SECRETARY'S FUND FOR RESEARCH, DEM- ONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section 413 (42 U.S.C. 613), as amended by section 112(e) of this Act, is further amended by adding at the end the fol- lowing:
16 17 18 19 20 21	(a) Secretary's Fund for Research, Demonstrations, and Technical Assistance.—Section 413 (42 U.S.C. 613), as amended by section 112(c) of this Act, is further amended by adding at the end the following: "(1) Funding for Research, Demonstrations,
16 17 18 19 20 21 22	(a) Secretary's Fund for Research, Demonstrations, and Technical Assistance.—Section 413 (42 U.S.C. 613), as amended by section 112(e) of this Act, is further amended by adding at the end the following: "(1) Funding for Research, Demonstrations, and Technical Assistance.—

1 appropriated, there are appropriated 2 \$102,000,000 for each of fiscal years 2003 3 through 2008, which shall be available to the 4 Secretary for the purpose of conducting and 5 supporting research and demonstration projects 6 by public or private entities, and providing tech-7 nical assistance to States, Indian tribal organi-8 zations, and such other entities as the Secretary 9 may specify that are receiving a grant under 10 this part, which shall be expended primarily on 11 activities described in section 403(a)(2)(B), and 12 which shall be in addition to any other funds 13 made available under this part. 14 "(B) EXTENDED AVAILABILITY OF FY 2003 15 FUNDS.—Funds appropriated under this para-16 graph for fiscal year 2003 shall remain avail-17 able to the Secretary through fiscal year 2004, 18 for use in accordance with this paragraph for 19 fiscal year 2003. 20 "(2) SET ASIDE FOR **DEMONSTRATION** 21 PROJECTS FOR COORDINATION OF PROVISION OF 22 CHILD WELFARE AND TANF SERVICES TO TRIBAL 23 FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.— "(A) IN GENERAL.—Of the amounts made 24

available under paragraph (1) for a fiscal year,

1	\$2,000,000 shall be awarded on a competitive
2	basis to fund demonstration projects designed
3	to test the effectiveness of tribal governments
4	or tribal consortia in coordinating the provision
5	to tribal families at risk of child abuse or ne-
6	gleet of child welfare services and services
7	under tribal programs funded under this part
8	"(B) USE OF FUNDS.—A grant made to
9	such a project shall be used—
10	"(i) to improve case management for
11	families eligible for assistance from such a
12	tribal program;
13	"(ii) for supportive services and as-
14	sistance to tribal children in out-of-home
15	placements and the tribal families caring
16	for such children, including families who
17	adopt such children; and
18	"(iii) for prevention services and as-
19	sistance to tribal families at risk of child
20	abuse and neglect.
21	"(C) REPORTS.—The Secretary may re-
22	quire a recipient of funds awarded under this
23	paragraph to provide the Secretary with such
24	information as the Secretary deems relevant to
25	enable the Secretary to facilitate and oversed

- 1 the administration of any project for which
- 2 funds are provided under this paragraph.".
- 3 (b) Funding of Studies and Demonstrations.—
- 4 Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in
- 5 the matter preceding subparagraph (A) by striking "1997
- 6 through 2002" and inserting "2004 through 2008".
- 7 (e) Report on Enforcement of Certain Affida-
- 8 VITS OF SUPPORT AND SPONSOR DEEMING.—Not later
- 9 than March 31, 2004, the Secretary of Health and Human
- 10 Services, in consultation with the Attorney General, shall
- 11 submit to the Congress a report on the enforcement of
- 12 affidavits of support and sponsor deeming as required by
- 13 section 421, 422, and 432 of the Personal Responsibility
- 14 and Work Opportunity Reconciliation Act of 1996.
- 15 (d) Report on Coordination.—Not later than 6
- 16 months after the date of the enactment of this Act, the
- 17 Secretary of Health and Human Services and the Sec-
- 18 retary of Labor shall jointly submit a report to the Con-
- 19 gress describing common or conflicting data elements,
- 20 definitions, performance measures, and reporting require-
- 21 ments in the Workforce Investment Act of 1998 and part
- 22 A of title IV of the Social Security Act, and, to the degree
- 23 each Secretary deems appropriate, at the discretion of ei-
- 24 ther Secretary, any other program administered by the re-

1	spective Secretary, to allow greater coordination between
2	the welfare and workforce development systems.
3	SEC. 116. STUDIES BY THE CENSUS BUREAU AND THE GEN
4	ERAL ACCOUNTING OFFICE.
5	(a) Census Bureau Study.—
6	(1) In General.—Section 414(a) (42 U.S.C.
7	614(a)) is amended to read as follows:
8	"(a) In General.—The Bureau of the Census shall
9	implement or enhance a longitudinal survey of program
10	participation, developed in consultation with the Secretary
11	and made available to interested parties, to allow for the
12	assessment of the outcomes of continued welfare reform
13	on the economic and child well-being of low-income fami-
14	lies with children, including those who received assistance
15	or services from a State program funded under this part
16	and, to the extent possible, shall provide State representa-
17	tive samples. The content of the survey should include
18	such information as may be necessary to examine the
19	issues of out-of-wedlock childbearing, marriage, welfare
20	dependency and compliance with work requirements, the
21	beginning and ending of spells of assistance, work, earn-
22	ings and employment stability, and the well-being of chil-
23	dren.".
24	(2) APPROPRIATION.—Section 414(b) (42)
25	U.S.C. 614(b)) is amended—

1 (A) by striking "1996," and all that fol-2 lows through "2002" and inserting "2004 3 through 2008"; and

(B) by adding at the end the following:
"Funds appropriated under this subsection
shall remain available through fiscal year 2008
to earry out subsection (a).".

(b) GAO STUDY.—

- (1) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine the combined effect of the phase-out rates for Federal programs and policies which provide support to low-income families and individuals as they move from welfare to work, at all earning levels up to \$35,000 per year, for at least 5 States including Wisconsin and California, and any potential disincentives the combined phase-out rates create for families to achieve independence or to marry.
- (2) REPORT.—Not later than 1 year after the date of the enactment of this subsection, the Comptroller General shall submit a report to Congress containing the results of the study conducted under this section and, as appropriate, any recommendations consistent with the results.

1 SEC. 117. DEFINITION OF ASSISTANCE.

2	(a) In General.—Section 419 (42 U.S.C. 619) is
3	amended by adding at the end the following:
4	"(6) Assistance.—
5	"(A) In General.—The term 'assistance'
6	means payment, by eash, voucher, or other
7	means, to or for an individual or family for the
8	purpose of meeting a subsistence need of the in-
9	dividual or family (including food, elothing,
10	shelter, and related items, but not including
11	costs of transportation or child care).
12	"(B) Exception.—The term 'assistance'
13	does not include a payment described in sub-
14	paragraph (A) to or for an individual or family
15	on a short-term, nonrecurring basis (as defined
16	by the State in accordance with regulations pre-
17	scribed by the Secretary).".
18	(b) Conforming Amendments.—
19	(1) Section $404(a)(1)$ (42 U.S.C. $604(a)(1)$) is
20	amended by striking "assistance" and inserting
21	"aid".
22	(2) Section 404(f) (42 U.S.C. 604(f)) is amend-
23	ed by striking "assistance" and inserting "benefits
24	or services'

1 408(a)(5)(B)(i)+42(3)Section U.S.C. 2 608(a)(5)(B)(i)) is amended in the heading by striking "ASSISTANCE" and inserting "AID". 3 4 (4) Section 413(d)(2) (42 U.S.C. 613(d)(2) is 5 amended by striking "assistance" and inserting 6 "aid": SEC. 118. TECHNICAL CORRECTIONS. 8 (a) Section 409(e)(2) (42 U.S.C. 609(e)(2)) is amended by inserting a comma after "appropriate". 10 411(a)(1)(A)(ii)(III) Section +42U.S.C. 611(a)(1)(A)(ii)(III)) is amended by striking the last close parenthesis. 12 (e) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is 13 amended by striking "section" and inserting "sections". 14 15 (d)(1) Section 413 (42 U.S.C. 613) is amended by striking subsection (g) and redesignating subsections (h) through (j) and subsections (k) and (l) (as added by sections 112(e) and 115(a) of this Act, respectively) as subsections (g) through (k), respectively. 20 (2) Each of the following provisions is amended by 21 striking "413(j)" and inserting "413(i)": 22 (A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C. 23 603(a)(5)(A)(ii)(III). 403(a)(5)(F)24 (B)Section (42)U.S.C. 603(a)(5)(F). 25

1 (C)403(a)(5)(G)(ii)+42U.S.C. Section 2 603(a)(5)(G)(ii). 3 Section 412(a)(3)(B)(iv)(D)+42U.S.C. 4 612(a)(3)(B)(iv). SEC. 119. FATHERHOOD PROGRAM. 6 (a) SHORT TITLE.—This section may be eited as the 7 "Promotion and Support of Responsible Fatherhood and 8 Healthy Marriage Act of 2003". 9 (b) Fatherhood Program.— (1) IN GENERAL.—Title I of the Personal Re-10 11 sponsibility and Work Opportunity Reconciliation 12 Act of 1996 (Public Law 104–193) is amended by 13 adding at the end the following: 14 "SEC. 117. FATHERHOOD PROGRAM. 15 "(a) IN GENERAL.—Title IV (42 U.S.C. 601–679b) is amended by inserting after part B the following: 17 "'PART C-FATHERHOOD PROGRAM 18 "SEC. 441. FINDINGS AND PURPOSES. 19 "(a) FINDINGS.—The Congress finds that there is substantial evidence strongly indicating the urgent need 21 to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children, including data demonstrating the following:

	· ·
1	"(1) In approximately 90 percent of cases
2	where a parent is absent, that parent is the father.
3	"(2) By some estimates, 60 percent of children
4	born in the 1990's will spend a significant portion
5	of their childhood in a home without a father.
6	"(3) Nearly 75 percent of children in single-
7	parent homes will experience poverty before they are
8	11 years old, compared with only 20 percent of chil-
9	dren in 2-parent families.
10	"(4) Low income is positively correlated with
11	children's difficulties with education, social adjust-
12	ment, and delinquency, and single-parent households
13	constitute a disproportionate share of low-income
14	households.
15	"(5) Where families (whether intact or with a
16	parent absent) are living in poverty, a significant
17	factor is the father's lack of job skills.
18	"(6) Children raised in 2-parent married fami-
19	lies, on average, fare better as a group in key areas,
20	including better school performance, reduced rates of
21	substance abuse, erime, and delinquency, fewer
22	health, emotional, and behavioral problems, lower
23	rates of teenage sexual activity, less risk of abuse or

neglect, and lower risk of teen suicide.

1	"(7) Committed and responsible fathering dur-
2	ing infancy and early childhood contributes to the
3	development of emotional security, curiosity, and
4	math and verbal skills.
5	"(8) An estimated 24,000,000 children (33.5)
6	percent) live apart from their biological father.
7	"(9) A recent national survey indicates that of
8	children under age 18 not living with their biological
9	father, 37 percent had not seen their father even
10	once in the last 12 months.
11	"(b) Purposes.—The purposes of this part are:
12	"(1) To provide for projects and activities by
13	public entities and by nonprofit community entities,
14	including religious organizations, designed to test
15	promising approaches to accomplishing the following
16	objectives:
17	"(A) Promoting responsible, earing, and
18	effective parenting through counseling, men-
19	toring, and parenting education, dissemination

ther involvement, including the positive involvement of nonresident fathers, and other methods.

of educational materials and information on

parenting skills, encouragement of positive fa-

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"(B) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs, including the One-Stop delivery system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support and regular payment toward past due child support obligations in appropriate eases, and other methods. "(C) Improving fathers' ability to effec-

"(C) Improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, banking, and handling of financial transactions, time management, and home maintenance.

"(D) Encouraging and supporting healthy marriages and married fatherhood through such activities as premarital education, including the use of premarital inventories, marriage preparation programs, skills-based marriage education programs, marital therapy, couples counseling, divorce education and reduction programs, divorce mediation and counseling, relationship skills enhancement programs, including those designed to reduce child abuse and domestic violence, and dissemination of information about the benefits of marriage for both parents and children.

"(2) Through the projects and activities described in paragraph (1), to improve outcomes for children with respect to measures such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral stability and social adjustment, and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and teen suicide.

"(3) To evaluate the effectiveness of various approaches and to disseminate findings concerning outcomes and other information in order to encour-

1	age and facilitate the replication of effective ap-
2	proaches to accomplishing these objectives.
3	"'SEC. 442. DEFINITIONS.
4	"'In this part, the terms "Indian tribe" and "tribal
5	organization" have the meanings given them in sub-
6	sections (e) and (l), respectively, of section 4 of the Indian
7	Self-Determination and Education Assistance Act.
8	"'SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.
9	"(a) In General.—The Secretary may make
10	grants for fiscal years 2004 through 2008 to public and
11	nonprofit community entities, including religious organiza-
12	tions, and to Indian tribes and tribal organizations, for
13	demonstration service projects and activities designed to
14	test the effectiveness of various approaches to accomplish
15	the objectives specified in section 441(b)(1).
16	"(b) Eligibility Criteria for Full Service
17	GRANTS.—In order to be eligible for a grant under this
18	section, except as specified in subsection (e), an entity
19	shall submit an application to the Secretary containing the
20	following:
21	"(1) Project description.—A statement in-
22	cluding
23	"(A) a description of the project and how
24	it will be earried out, including the geographical
25	area to be covered and the number and charac-

resources.

teristics of clients to be served, and how it will address each of the 4 objectives specified in section 441(b)(1); and

"'(B) a description of the methods to be used by the entity or its contractor to assess the extent to which the project was successful in accomplishing its specific objectives and the general objectives specified in section 441(b)(1).

"'(2) Experience and Qualifications.—A demonstration of ability to carry out the project, by means such as demonstration of experience in successfully carrying out projects of similar design and scope, and such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's

"(3) Addressing child abuse and neglect, including how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

ability to provide the non-Federal share of project

"'(4) Addressing concerns relating to substance abuse and sexual activity.—A commitment to make available to each individual participating in the project education about alcohol, to bacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

"(5) Coordination with specified pro-GRAMS. An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs under parts A, B, and D of this title, including programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

"(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

"(7) SELF-INITIATED EVALUATION.—If the entity elects to contract for independent evaluation

of the project (part or all of the cost of which may
be paid for using grant funds), a commitment to
submit to the Secretary a copy of the evaluation report within 30 days after completion of the report
and not more than 1 year after completion of the
project.

"'(8) Cooperation with Secretary's oversight and Evaluation.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including random assignment of clients to service recipient and control groups, if determined by the Secretary to be appropriate, and affording the Secretary access to the project and to project-related records and documents, staff, and clients.

"(e) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE
GRANTS.—In order to be eligible for a grant under this
section in an amount under \$25,000 per fiscal year, an
entity shall submit an application to the Secretary containing the following:

"'(1) PROJECT DESCRIPTION.—A description of the project and how it will be carried out, including the number and characteristics of clients to be served, the proposed duration of the project, and

1 how it will address at least 1 of the 4 objectives 2 specified in section 441(b)(1).

"'(2) QUALIFICATIONS.—Such information as the Secretary may require as to the capacity of the entity to carry out the project, including any previous experience with similar activities.

"(3) COORDINATION WITH RELATED PROGRAMS.—As required by the Secretary in appropriate eases, an undertaking to coordinate and cooperate with State and local entities responsible for specific programs relating to the objectives of the project including, as appropriate, jobs programs and programs serving children and families.

"(4) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

"(5) Cooperation with secretary's oversight and evaluation.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including affording the Secretary access to the project and to project-related records and documents, staff, and elients.

1	"'(d) Considerations in Awarding Grants.—
2	"(1) Diversity of Projects.—In awarding
3	grants under this section, the Secretary shall seek to
4	achieve a balance among entities of differing sizes
5	entities in differing geographic areas, entities in
6	urban and in rural areas, and entities employing dif
7	fering methods of achieving the purposes of this see
8	tion, including working with the State agency re-
9	sponsible for the administration of part D to help fa
10	thers satisfy child support arrearage obligations.
11	"(2) Preference for projects serving
12	LOW-INCOME FATHERS.—In awarding grants under
13	this section, the Secretary may give preference to
14	applications for projects in which a majority of the
15	elients to be served are low-income fathers.
16	"(e) Federal Share.—
17	"(1) In General.—Grants for a project under
18	this section for a fiscal year shall be available for a
19	share of the cost of such project in such fiscal year
20	equal to—
21	"(A) up to 80 percent (or up to 90 per
22	cent, if the entity demonstrates to the Sec-
23	retary's satisfaction circumstances limiting the

entity's ability to secure non-Federal resources)

1	in the case of a project under subsection (b);
2	and
3	"(B) up to 100 percent, in the case of a
4	project under subsection (e).
5	"(2) Non-Federal Share.—The non-Federal
6	share may be in eash or in kind. In determining the
7	amount of the non-Federal share, the Secretary may
8	attribute fair market value to goods, services, and
9	facilities contributed from non-Federal sources.
10	"SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION
11	PROJECTS.
12	"(a) In General.—The Secretary may make
13	grants under this section for fiscal years 2004 through
14	2008 to eligible entities (as specified in subsection (b)) for
15	2 multicity, multistate projects demonstrating approaches
16	to achieving the objectives specified in section 441(b)(1).
17	One of the projects shall test the use of married couples
18	to deliver program services.
19	"(b) ELIGIBLE ENTITIES.—An entity eligible for a
20	grant under this section must be a national nonprofit fa-
21	therhood promotion organization that meets the following
22	requirements:
23	"(1) Experience with fatherhood pro-
24	GRAMS.—The organization must have substantial ex-
25	perience in designing and successfully conducting

1	programs that meet the purposes described in sec-
2	tion 441.
3	"(2) Experience with multicity,
4	MULTISTATE PROGRAMS AND GOVERNMENT COORDI-
5	NATION.—The organization must have experience in
6	simultaneously conducting such programs in more
7	than 1 major metropolitan area in more than 1
8	State and in coordinating such programs, where ap-
9	propriate, with State and local government agencies
10	and private, nonprofit agencies (including commu-
11	nity-based and religious organizations), including
12	State or local agencies responsible for child support
13	enforcement and workforce development.
14	"(e) APPLICATION REQUIREMENTS.—In order to be
15	eligible for a grant under this section, an entity must sub-
16	mit to the Secretary an application that includes the fol-
17	lowing:
18	"(1) QUALIFICATIONS.—
19	"(A) Eligible entity.—A demonstra-
20	tion that the entity meets the requirements of
21	subsection (b).
22	"(B) Other.—Such other information as
23	the Secretary may find necessary to dem-
24	onstrate the entity's capacity to carry out the

1	project, including the entity's ability to provide
2	the non-Federal share of project resources.
3	"(2) Project description.—A description of
4	and commitments concerning the project design, in-
5	eluding the following:
6	"(A) IN GENERAL.—A detailed descrip-
7	tion of the proposed project design and how it
8	will be carried out, which shall—
9	"'(i) provide for the project to be con-
10	ducted in at least 3 major metropolitan
11	areas;
12	"'(ii) state how it will address each of
13	the 4 objectives specified in section
14	441(b)(1);
15	"'(iii) demonstrate that there is a suf-
16	ficient number of potential clients to allow
17	for the random selection of individuals to
18	participate in the project and for compari-
19	sons with appropriate control groups com-
20	posed of individuals who have not partici-
21	pated in such projects; and
22	"'(iv) demonstrate that the project is
23	designed to direct a majority of project re-
24	sources to activities serving low-income fa-

1	thers (but the project need not make serv-
2	ices available on a means-tested basis).
3	"(B) Oversight, evaluation, and ad-
4	JUSTMENT COMPONENT.—An agreement that
5	the entity—
6	"(i) in consultation with the eval-
7	uator selected pursuant to section 445, and
8	as required by the Secretary, will modify
9	the project design, initially and (if nee-
10	essary) subsequently throughout the dura-
11	tion of the project, in order to facilitate on-
12	going and final oversight and evaluation of
13	project operation and outcomes (by means
14	including, to the maximum extent feasible,
15	random assignment of clients to service re-
16	cipient and control groups), and to provide
17	for mid-course adjustments in project de-
18	sign indicated by interim evaluations;
19	"(ii) will submit to the Secretary re-
20	vised descriptions of the project design as
21	modified in accordance with clause (i); and
22	"(iii) will cooperate fully with the
23	Secretary's ongoing oversight and ongoing
24	and final evaluation of the project, by
25	means including affording the Secretary

1 access to the project and to project-related
2 records and documents, staff, and clients.

"(3) Addressing child abuse and neglect, including how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

"'(4) Addressing concerns relating to substance abuse and sexual activity.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

"'(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs funded under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop de-

livery system), and such other programs as the Sec retary may require.

"'(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

"'(d) FEDERAL SHARE.—

"(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

"'(2) Non-Federal share.—The non-Federal share may be in eash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

"'SEC. 445. EVALUATION.

21 "'(a) IN GENERAL.—The Secretary, directly or by
22 contract or cooperative agreement, shall evaluate the effec23 tiveness of service projects funded under sections 443 and
24 444 from the standpoint of the purposes specified in sec25 tion 441(b)(1).

1	"(b) Evaluation Methodology.—Evaluations
2	under this section shall—
3	"(1) include, to the maximum extent feasible,
4	random assignment of clients to service delivery and
5	control groups and other appropriate comparisons of
6	groups of individuals receiving and not receiving
7	services;
8	"(2) describe and measure the effectiveness of
9	the projects in achieving their specific project goals;
10	and
11	"(3) describe and assess, as appropriate, the
12	impact of such projects on marriage, parenting, do-
13	mestic violence, child abuse and neglect, money man-
14	agement, employment and earnings, payment of
15	child support, and child well-being, health, and edu-
16	cation.
17	"(e) Evaluation Reports.—The Secretary shall
18	publish the following reports on the results of the evalua-
19	tion:
20	"(1) An implementation evaluation report cov-
21	ering the first 24 months of the activities under this
22	part to be completed by 36 months after initiation
23	of such activities.
24	"(2) A final report on the evaluation to be
25	completed by September 30, 2011.

1 "'SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.

2	"The Secretary is authorized, by grant, contract, or
3	cooperative agreement, to carry out projects and activities
4	of national significance relating to fatherhood promotion,
5	including—
6	"(1) Collection and dissemination of in-
7	FORMATION.—Assisting States, communities, and
8	private entities, including religious organizations, in
9	efforts to promote and support marriage and respon-
10	sible fatherhood by collecting, evaluating, developing,
11	and making available (through the Internet and by
12	other means) to all interested parties information re-
13	garding approaches to accomplishing the objectives
14	specified in section 441(b)(1).
15	"(2) Media campaign.—Developing, pro-
16	moting, and distributing to interested States, local
17	governments, public agencies, and private nonprofit
18	organizations, including charitable and religious or-
19	ganizations, a media campaign that promotes and
20	encourages involved, committed, and responsible fa-
21	therhood and married fatherhood.
22	"(3) Technical Assistance.—Providing
23	technical assistance, including consultation and
24	training, to public and private entities, including
25	community organizations and faith-based organiza-

- 1 tions, in the implementation of local fatherhood pro-
- 2 motion programs.
- 3 "(4) Research.—Conducting research related
- 4 to the purposes of this part.

5 "'SEC. 447. NONDISCRIMINATION.

- 6 "The projects and activities assisted under this part
- 7 shall be available on the same basis to all fathers and ex-
- 8 pectant fathers able to benefit from such projects and ac-
- 9 tivities, including married and unmarried fathers and cus-
- 10 todial and noncustodial fathers, with particular attention
- 11 to low-income fathers, and to mothers and expectant
- 12 mothers on the same basis as to fathers.
- 13 "SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RES-
- 14 ERVATION FOR CERTAIN PURPOSE.
- 15 "(a) AUTHORIZATION.—There are authorized to be
- 16 appropriated \$20,000,000 for each of fiscal years 2004
- 17 through 2008 to earry out the provisions of this part.
- 18 "(b) Reservation.—Of the amount appropriated
- 19 under this section for each fiscal year, not more than 15
- 20 percent shall be available for the costs of the multicity,
- 21 multicounty, multistate demonstration projects under sec-
- 22 tion 444, evaluations under section 445, and projects of
- 23 national significance under section 446...

1	"(b) INAPPLICABILITY OF EFFECTIVE DATE PROVI-
2	SIONS.—Section 116 shall not apply to the amendment
3	made by subsection (a) of this section.".
4	(2) CLERICAL AMENDMENT.—Section 2 of such
5	Act is amended in the table of contents by inserting
6	after the item relating to section 116 the following
7	new item:
	"See. 117. Fatherhood program.".
8	SEC. 120. STATE OPTION TO MAKE TANF PROGRAMS MAN-
9	DATORY PARTNERS WITH ONE-STOP EMPLOY-
10	MENT TRAINING CENTERS.
11	Section 408 of the Social Security Act (42 U.S.C.
12	608) is amended by adding at the end the following:
13	"(h) STATE OPTION TO MAKE TANF PROGRAMS
14	MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT
15	Training Centers.—For purposes of section 121(b) of
16	the Workforce Investment Act of 1998, a State program
17	funded under part A of title IV of the Social Security Act
18	shall be considered a program referred to in paragraph
19	(1)(B) of such section, unless, after the date of the enact-
20	ment of this subsection, the Governor of the State notifies
21	the Secretaries of Health and Human Services and Labor
22	in writing of the decision of the Governor not to make

23 the State program a mandatory partner.".

87 SEC. 121. SENSE OF THE CONGRESS. 2 It is the sense of the Congress that a State welfareto-work program should include a mentoring program. 3 SEC. 122. EXTENSION THROUGH FISCAL YEAR 2003. 4 5 Except as otherwise provided in this Act and the amendments made by this Act, activities authorized by part A of title IV of the Social Security Act, and by section 1108(b) of the Social Security Act, shall continue through September 30, 2003, in the manner authorized, and at 9 the level provided, for fiscal year 2002. TITLE II—CHILD CARE 11 SEC. 201. SHORT TITLE. This title may be eited as the "Caring for Children 13 Act of 2003". SEC. 202, GOALS. 16 (a) GOALS.—Section 658A(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended— 18 19 (1) in paragraph (3) by striking "encourage" 20 and inserting "assist", 21 (2) by amending paragraph (4) to read as fol-

25 (3) by redesignating paragraph (5) as para-26 graph (7), and

"(4) to assist States to provide child care to

lows:

low-income parents;",

22

23

1	(4) by inserting after paragraph (4) the fol-
2	lowing:
3	"(5) to encourage States to improve the quality
4	of child care available to families;
5	"(6) to promote school readiness by encour-
6	aging the exposure of young children in child care to
7	nurturing environments and developmentally-appro-
8	priate activities, including activities to foster early
9	cognitive and literacy development; and".
10	(b) Conforming Amendment.—Section
11	658E(e)(3)(B) of the Child Care and Development Block
12	Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended
13	by striking "through (5)" and inserting "through (7)".
14	SEC. 203. AUTHORIZATION OF APPROPRIATIONS.
15	Section 658B of the Child Care and Development
16	Block Grant Act of 1990 (42 U.S.C. 9858) is amended—
17	(1) by striking "is" and inserting "are", and
18	(2) by striking "\$1,000,000,000 for each of the
19	fiscal years 1996 through 2002" and inserting
20	"\$2,100,000,000 for fiscal year 2003,
21	\$2,300,000,000 for fiscal year 2004,
22	\$2,500,000,000 for fiscal year 2005,
23	\$2,700,000,000 for fiscal year 2006,
24	\$2,900,000,000 for fiscal year 2007, and
25	\$3.100.000.000 for fiscal year 2008".

1 SEC. 204. APPLICATION AND PLAN.

2	Section $658E(e)(2)$ of the Child Care and Develop-
3	ment Block Grant Act of 1990 (42 U.S.C. 9858C(e)(2))
4	is amended—
5	(1) by amending subparagraph (D) to read as
6	follows:
7	"(D) Consumer and Child Care Pro-
8	VIDER EDUCATION INFORMATION.—Certify that
9	the State will collect and disseminate, through
10	resource and referral services and other means
11	as determined by the State, to parents of eligi-
12	ble children, child care providers, and the gen-
13	eral public, information regarding—
14	"(i) the promotion of informed child
15	eare choices, including information about
16	the quality and availability of child care
17	services;
18	"(ii) research and best practices on
19	children's development, including early cog-
20	nitive development;
21	"(iii) the availability of assistance to
22	obtain child care services; and
23	"(iv) other programs for which fami-
24	lies that receive child care services for
25	which financial assistance is provided
26	under this subchapter may be eligible, in-

1	cluding the food stamp program, the WIC
2	program under section 17 of the Child Nu-
3	trition Act of 1966, the child and adult
4	care food program under section 17 of the
5	Richard B. Russell National School Lunch
6	Act, and the medicaid and SCHIP pro-
7	grams under titles XIX and XXI of the
8	Social Security Act.", and
9	(2) by inserting after subparagraph (H) the fol-
10	lowing:
11	"(I) COORDINATION WITH OTHER EARLY
12	CHILD CARE SERVICES AND EARLY CHILDHOOD
13	EDUCATION PROGRAMS.—Demonstrate how the
14	State is coordinating child care services pro-
15	vided under this subchapter with Head Start
16	Early Reading First, Even Start, Ready-To-
17	Learn Television, State pre-kindergarten pro-
18	grams, and other early childhood education pro-
19	grams to expand accessibility to and continuity
20	of care and early education without displacing
21	services provided by the current early care and
22	education delivery system.
23	"(J) Public-private partnerships.—
24	Demonstrate how the State encourages partner-

ships with private and other public entities to

1	leverage existing service delivery systems of
2	early childhood education and increase the sup-
3	ply and quality of child care services.
4	"(K) CHILD CARE SERVICE QUALITY.—
5	"(i) CERTIFICATION.—For each fiscal
6	year after fiscal year 2004, certify that
7	during the then preceding fiscal year the
8	State was in compliance with section 658G
9	and describe how funds were used to com-
10	ply with such section during such pre-
11	eeding fiscal year.
12	"(ii) STRATEGY.—For each fiscal year
13	after fiscal year 2004, contain an outline
14	of the strategy the State will implement
15	during such fiscal year for which the State
16	plan is submitted, to address the quality of
17	child care services in the State available to
18	low-income parents from eligible child care
19	providers, and include in such strategy—
20	"(I) a statement specifying how
21	the State will address the activities
22	described in paragraphs (1), (2), and
23	(3) of section 658G;
24	"(H) a description of quantifi-
25	able, objective measures for evaluating

1	the quality of child care services sepa-
2	rately with respect to the activities
3	listed in each of such paragraphs that
4	the State will use to evaluate its
5	progress in improving the quality of
6	such child care services;
7	"(III) a list of State-developed
8	child care service quality targets for
9	such fiscal year quantified on the
10	basis of such measures; and
11	"(IV) for each fiscal year after
12	fiscal year 2004, a report on the
13	progress made to achieve such targets
14	during the then preceding fiscal year.
15	"(iii) Rule of construction.—
16	Nothing in this subparagraph shall be con-
17	strued to require that the State apply
18	measures for evaluating quality to specific
19	types of child care providers.
20	"(L) Access to care for certain popu-
21	LATIONS.—Demonstrate how the State is ad-
22	dressing the child care needs of parents eligible
23	for child care services for which financial assist-
24	ance is provided under this subchapter who
25	have children with special needs, work nontradi-

1	tional hours, or require child care services for
2	infants or toddlers.".
3	SEC. 205. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD
4	CARE.
5	Section 658G of the Child Care and Development
6	Block Grant Act of 1990 (42 U.S.C. 9858e) is amended
7	to read as follows:
8	"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF
9	CHILD CARE SERVICES.
10	"A State that receives funds to carry out this sub-
11	chapter for a fiscal year, shall use not less than 6 percent
12	of the amount of such funds for activities provided
13	through resource and referral services or other means
14	that are designed to improve the quality of child care serv-
15	ices in the State available to low-income parents from eli-
16	gible child care providers. Such activities include—
17	"(1) programs that provide training, education
18	and other professional development activities to en-
19	hance the skills of the child care workforce, includ-
20	ing training opportunities for caregivers in information
21	eare settings;
22	"(2) activities within child care settings to en-
23	hance early learning for young children, to promote
24	early literacy, and to foster school readiness;

1	"(3) initiatives to increase the retention and
2	compensation of child care providers, including
3	tiered reimbursement rates for providers that meet
4	quality standards as defined by the State; or
5	"(4) other activities deemed by the State to im-
6	prove the quality of child care services provided in
7	such State.".
8	SEC. 206. REPORT BY SECRETARY.
9	Section 658L of the Child Care and Development
10	Block Grant Act of 1990 (42 U.S.C. 9858j) is amended
11	to read as follows:
12	"SEC. 658L. REPORT BY SECRETARY.
13	"(a) REPORT REQUIRED.—Not later than October 1,
14	2005, and biennially thereafter, the Secretary shall pre-
15	pare and submit to the Committee on Education and the
16	Workforce of the House of Representatives and the Com-
17	mittee on Health, Education, Labor and Pensions of the
18	
10	Senate a report that contains the following:
19	"(1) A summary and analysis of the data and
19	"(1) A summary and analysis of the data and
19 20	"(1) A summary and analysis of the data and information provided to the Secretary in the State
19 20 21	"(1) A summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658K.

1	"(3) An assessment, and where appropriate,
2	recommendations for the Congress concerning ef-
3	forts that should be undertaken to improve the ac-
4	cess of the public to quality and affordable child care
5	in the United States.
6	"(b) Collection of Information.—The Secretary
7	may utilize the national child care data system available
8	through resource and referral organizations at the local,
9	State, and national level to collect the information re-
10	quired by subsection $(a)(2)$.
11	SEC. 207. DEFINITIONS.
12	Section 658P(4)(B) of the Child Care and Develop-
13	ment Block Grant Act of 1990 (42 U.S.C. 9858N(4)(B))
14	is amended by striking "85 percent of the State median
15	income" and inserting "income levels as established by the
16	State, prioritized by need,".
17	SEC. 208. ENTITLEMENT FUNDING.
18	Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amend-
19	ed —
20	(1) by striking "and" at the end of subpara-
21	graph (E);
22	(2) by striking the period at the end of sub-
23	paragraph (F) and inserting "; and"; and
24	(3) by adding at the end the following:

1	"(G) \$2,917,000,000 for each of fiscal
2	years 2004 through 2008.".
3	TITLE III—CHILD SUPPORT
4	SEC. 301. FEDERAL MATCHING FUNDS FOR LIMITED PASS
5	THROUGH OF CHILD SUPPORT PAYMENTS TO
6	FAMILIES RECEIVING TANF.
7	(a) In General.—Section 457(a) (42 U.S.C.
8	657(a)) is amended—
9	(1) in paragraph (1)(A), by inserting "subject
10	to paragraph (7)" before the semicolon; and
11	(2) by adding at the end the following:
12	"(7) Federal matching funds for limited
13	PASS THROUGH OF CHILD SUPPORT PAYMENTS TO
14	FAMILIES RECEIVING TANF.—Notwithstanding para-
15	graph (1), a State shall not be required to pay to
16	the Federal Government the Federal share of an
17	amount collected during a month on behalf of a fam-
18	ily that is a recipient of assistance under the State
19	program funded under part A, to the extent that—
20	"(A) the State distributes the amount to
21	the family;
22	"(B) the total of the amounts so distrib-
23	uted to the family during the month—
24	"(i) exceeds the amount (if any) that,
25	as of December 31, 2001, was required

1	under State law to be distributed to a fam-
2	ily under paragraph (1)(B); and
3	"(ii) does not exceed the greater of—
4	"(I) \$100; or
5	"(II) \$50 plus the amount de-
6	seribed in clause (i); and
7	"(C) the amount is disregarded in deter-
8	mining the amount and type of assistance pro-
9	vided to the family under the State program
10	funded under part A.".
11	(b) EFFECTIVE DATE.—The amendments made by
12	subsection (a) shall apply to amounts distributed on or
13	after October 1, 2005.
14	SEC. 302. STATE OPTION TO PASS THROUGH ALL CHILD
15	SUPPORT PAYMENTS TO FAMILIES THAT
16	FORMERLY RECEIVED TANF.
17	(a) In General. Section 457(a) (42 U.S.C.
18	657(a)), as amended by section 301(a) of this Act, is
19	amended—
20	(1) in paragraph (2)(B), in the matter pre-
21	
	eeding clause (i), by inserting ", except as provided
22	ceding clause (i), by inserting ", except as provided in paragraph (8)," after "shall"; and
22	in paragraph (8)," after "shall"; and

1	MERLY RECEIVED TANF.—In lieu of applying para-
2	graph (2) to any family described in paragraph (2),
3	a State may distribute to the family any amount col-
4	lected during a month on behalf of the family.".
5	(b) EFFECTIVE DATE.—The amendments made by
6	subsection (a) shall apply to amounts distributed on or
7	after October 1, 2005.
8	SEC. 303. MANDATORY REVIEW AND ADJUSTMENT OF
9	CHILD SUPPORT ORDERS FOR FAMILIES RE-
10	CEIVING TANF.
11	(a) In General.—Section $466(a)(10)(A)(i)$ (42)
12	U.S.C. 666(a)(10)(A)(i)) is amended—
13	(1) by striking "parent, or," and inserting
14	"parent or"; and
15	(2) by striking "upon the request of the State
16	agency under the State plan or of either parent,".
17	(b) EFFECTIVE DATE.—The amendment made by
18	subsection (a) shall take effect on October 1, 2005.
19	SEC. 304. MANDATORY FEE FOR SUCCESSFUL CHILD SUP-
20	PORT COLLECTION FOR FAMILY THAT HAS
21	NEVER RECEIVED TANF.
22	(a) In General.—Section 454(6)(B) (42 U.S.C.
23	654(6)(B)) is amended—
24	(1) by inserting "(i)" after "(B)";

1	(2) by redesignating clauses (i) and (ii) as sub-
2	elauses (I) and (II), respectively;
3	(3) by adding "and" after the semicolon; and
4	(4) by adding after and below the end the fol-
5	lowing new clause:
6	"(ii) in the ease of an individual who has
7	never received assistance under a State pro-
8	gram funded under part A and for whom the
9	State has collected at least \$500 of support, the
10	State shall impose an annual fee of \$25 for
11	each ease in which services are furnished, which
12	shall be retained by the State from support col-
13	lected on behalf of the individual (but not from
14	the 1st \$500 so collected), paid by the indi-
15	vidual applying for the services, recovered from
16	the absent parent, or paid by the State out of
17	its own funds (the payment of which from State
18	funds shall not be considered as an administra-
19	tive cost of the State for the operation of the
20	plan, and such fees shall be considered income
21	to the program);".
22	(b) Conforming Amendment.—Section 457(a)(3)
23	(42 U.S.C. 657(a)(3)) is amended to read as follows:
24	"(3) Families that never received assist-
25	ANCE.—In the ease of any other family, the State

- 1 shall distribute to the family the portion of the
- 2 amount so collected that remains after withholding
- 3 any fee pursuant to section 454(6)(B)(ii).".
- 4 (e) Effective Date.—The amendments made by
- 5 this section shall take effect on October 1, 2004.
- 6 SEC. 305. REPORT ON UNDISTRIBUTED CHILD SUPPORT
- 7 **PAYMENTS.**
- 8 Not later than 6 months after the date of the enact-
- 9 ment of this Act, the Secretary of Health and Human
- 10 Services shall submit to the Committee on Ways and
- 11 Means of the House of Representatives and the Committee
- 12 on Finance of the Senate a report on the procedures that
- 13 the States use generally to locate custodial parents for
- 14 whom child support has been collected but not yet distrib-
- 15 uted. The report shall include an estimate of the total
- 16 amount of undistributed child support and the average
- 17 length of time it takes undistributed child support to be
- 18 distributed. To the extent the Secretary deems appro-
- 19 priate, the Secretary shall include in the report rec-
- 20 ommendations as to whether additional procedures should
- 21 be established at the State or Federal level to expedite
- 22 the payment of undistributed child support.

1	SEC. 306. USE OF NEW HIRE INFORMATION TO ASSIST IN
2	ADMINISTRATION OF UNEMPLOYMENT COM-
3	PENSATION PROGRAMS.
4	(a) In General.—Section 453(j) (42 U.S.C. 653(j))
5	is amended by adding at the end the following:
6	"(7) Information comparisons and disclo-
7	SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-
8	MENT COMPENSATION PROGRAMS.—
9	"(A) In General.—If a State agency re-
10	sponsible for the administration of an unem-
11	ployment compensation program under Federal
12	or State law transmits to the Secretary the
13	name and social security account number of an
14	individual, the Secretary shall, if the informa-
15	tion in the National Directory of New Hires in-
16	dicates that the individual may be employed,
17	disclose to the State agency the name, address,
18	and employer identification number of any pu-
19	tative employer of the individual, subject to this
20	paragraph.
21	"(B) Condition on disclosure.—The
22	Secretary shall make a disclosure under sub-
23	paragraph (A) only to the extent that the See-
24	retary determines that the disclosure would not
25	interfere with the effective operation of the pro-
26	gram under this part.

1	"(C) USE OF INFORMATION.—A State
2	agency may use information provided under this
3	paragraph only for purposes of administering a
4	program referred to in subparagraph (A).".
5	(b) Effective Date.—The amendment made by
6	subsection (a) shall take effect on October 1, 2004.
7	SEC. 307. DECREASE IN AMOUNT OF CHILD SUPPORT AR-
8	REARAGE TRIGGERING PASSPORT DENIAL.
9	(a) In General. Section 452(k)(1) (42 U.S.C.
10	652(k)(1)) is amended by striking "\$5,000" and inserting
11	"\$2,500".
12	(b) Conforming Amendment.—Section 454(31)
13	(42 U.S.C. 654(31)) is amended by striking "\$5,000" and
14	inserting "\$2,500".
15	(e) EFFECTIVE DATE.—The amendments made by
16	this section shall take effect on October 1, 2004.
17	SEC. 308. USE OF TAX REFUND INTERCEPT PROGRAM TO
18	COLLECT PAST-DUE CHILD SUPPORT ON BE-
19	HALF OF CHILDREN WHO ARE NOT MINORS.
20	(a) In General.—Section 464 (42 U.S.C. 664) is
21	amended—
22	(1) in subsection (a)(2)(A), by striking "(as
23	that term is defined for purposes of this paragraph
24	under subsection (c))"; and
25	(2) in subsection (e)—

1	(A) in paragraph (1)—
2	(i) by striking "(1) Except as pro-
3	vided in paragraph (2), as used in" and in-
4	serting "In"; and
5	(ii) by inserting "(whether or not a
6	minor)" after "a child" each place it ap-
7	pears; and
8	(B) by striking paragraphs (2) and (3).
9	(b) EFFECTIVE DATE.—The amendments made by
10	subsection (a) shall take effect on October 1, 2005.
11	SEC. 309. GARNISHMENT OF COMPENSATION PAID TO VET-
12	ERANS FOR SERVICE-CONNECTED DISABIL-
13	ITIES IN ORDER TO ENFORCE CHILD SUP-
13 14	ITIES IN ORDER TO ENFORCE CHILD SUP- PORT OBLIGATIONS.
14 15	PORT OBLIGATIONS.
14 15	PORT OBLIGATIONS. (a) IN GENERAL. Section 459(h) (42 U.S.C.
141516	PORT OBLIGATIONS. (a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended—
14151617	PORT OBLIGATIONS. (a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended— (1) in paragraph (1)(A)(ii)(V), by striking all
14 15 16 17 18	PORT OBLIGATIONS. (a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended— (1) in paragraph (1)(A)(ii)(V), by striking all that follows "Armed Forces" and inserting a semi-
14 15 16 17 18	PORT OBLIGATIONS. (a) IN GENERAL. Section 459(h) (42 U.S.C. 659(h)) is amended— (1) in paragraph (1)(A)(ii)(V), by striking all that follows "Armed Forces" and inserting a semi-colon; and
14 15 16 17 18 19 20	PORT OBLIGATIONS. (a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended— (1) in paragraph (1)(A)(ii)(V), by striking all that follows "Armed Forces" and inserting a semicolon; and (2) by adding at the end the following:
14 15 16 17 18 19 20 21	PORT OBLIGATIONS. (a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended— (1) in paragraph (1)(A)(ii)(V), by striking all that follows "Armed Forces" and inserting a semicolon; and (2) by adding at the end the following: "(3) LIMITATIONS WITH RESPECT TO COM-

1	"(A) Compensation described in paragraph
2	(1)(A)(ii)(V) shall not be subject to withholding
3	pursuant to this section—
4	"(i) for payment of alimony; or
5	"(ii) for payment of child support if
6	the individual is fewer than 60 days in ar-
7	rears in payment of the support.
8	"(B) Not more than 50 percent of any
9	payment of compensation described in para-
10	graph (1)(A)(ii)(V) may be withheld pursuant
11	to this section.".
12	(b) EFFECTIVE DATE.—The amendments made by
13	subsection (a) shall take effect on October 1, 2005.
13	subsection (a) shall take effect on october 1, 2000.
14	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC-
14	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC-
14 15	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC- TICES.
14 15 16 17	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC- TICES. (a) IN GENERAL.—Section 3716(h)(3) of title 31,
14 15 16 17	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC- TICES. (a) IN GENERAL.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:
114 115 116 117 118	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC- TICES. (a) IN GENERAL.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows: "(3) In applying this subsection with respect to any
14 15 16 17 18 19 20	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC- TICES. (a) IN GENERAL.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows: "(3) In applying this subsection with respect to any debt owed to a State, other than past due support being
14 15 16 17 18 19 20	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC- TICES. (a) IN GENERAL.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows: "(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (e)(3)(A) shall not apply.
14 15 16 17 18 19 20 21	SEC. 310. IMPROVING FEDERAL DEBT COLLECTION PRAC- TICES. (a) IN GENERAL.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows: "(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (e)(3)(A) shall not apply. Subsection (e)(3)(A) shall apply with respect to past due
14 15 16 17 18 19 20 21 22 23	TICES. (a) In General.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows: "(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (e)(3)(A) shall not apply. Subsection (e)(3)(A) shall apply with respect to past due support being enforced by the State notwithstanding any

1	U.S.C. 923(b)), and section 14 of the Act of August 29,
2	1935 (45 U.S.C. 231m).".
3	(b) EFFECTIVE DATE. The amendment made by
4	subsection (a) shall take effect on October 1, 2004.
5	SEC. 311. MAINTENANCE OF TECHNICAL ASSISTANCE
6	FUNDING.
7	Section 452(j) (42 U.S.C. 652(j)) is amended by in-
8	serting "or the amount appropriated under this paragraph
9	for fiscal year 2002, whichever is greater," before "which
10	shall be available".
11	SEC. 312. MAINTENANCE OF FEDERAL PARENT LOCATOR
12	SERVICE FUNDING.
13	Section 453(o) (42 U.S.C. 653(o)) is amended—
14	(1) in the 1st sentence, by inserting "or the
15	amount appropriated under this paragraph for fiscal
16	year 2002, whichever is greater," before "which
17	shall be available"; and
18	(2) in the 2nd sentence, by striking "for each
19	of fiscal years 1997 through 2001".
20	TITLE IV—CHILD WELFARE
21	SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEM-
22	ONSTRATION PROJECTS.
23	Section $1130(a)(2)$ (42 U.S.C. $1320a-9(a)(2)$) is
	amended by striking "2002" and inserting "2008"

1	SEC. 402. ELIMINATION OF LIMITATION ON NUMBER OF
2	WAIVERS.
3	Section $1130(a)(2)$ (42 U.S.C. $1320a-9(a)(2)$) is
4	amended by striking "not more than 10".
5	SEC. 403. ELIMINATION OF LIMITATION ON NUMBER OF
6	STATES THAT MAY BE GRANTED WAIVERS TO
7	CONDUCT DEMONSTRATION PROJECTS ON
8	SAME TOPIC.
9	Section 1130 (42 U.S.C. 1320a-9) is amended by
10	adding at the end the following:
11	"(h) No Limit on Number of States That May
12	BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR
13	DEMONSTRATION PROJECTS.—The Secretary shall not
14	refuse to grant a waiver to a State under this section on
15	the grounds that a purpose of the waiver or of the dem-
16	onstration project for which the waiver is necessary would
17	be the same as or similar to a purpose of another waiver
18	or project that is or may be conducted under this sec-
19	tion.".
20	SEC. 404. ELIMINATION OF LIMITATION ON NUMBER OF
21	WAIVERS THAT MAY BE GRANTED TO A SIN-
22	GLE STATE FOR DEMONSTRATION PROJECTS.
23	Section 1130 (42 U.S.C. 1320a-9) is further amend-
24	ed by adding at the end the following:
25	"(i) No Limit on Number of Waivers Granted
26	TO, OR DEMONSTRATION PROJECTS THAT MAY BE CON-

- 1 DUCTED BY, A SINGLE STATE.—The Secretary shall not
- 2 impose any limit on the number of waivers that may be
- 3 granted to a State, or the number of demonstration
- 4 projects that a State may be authorized to conduct, under
- 5 this section.".
- 6 SEC. 405. STREAMLINED PROCESS FOR CONSIDERATION OF
- 7 AMENDMENTS TO AND EXTENSIONS OF DEM-
- 8 ONSTRATION PROJECTS REQUIRING WAIV-
- 9 ERS.
- 10 Section 1130 (42 U.S.C. 1320a-9) is further amend-
- 11 ed by adding at the end the following:
- 12 "(j) Streamlined Process for Consideration
- 13 OF AMENDMENTS AND EXTENSIONS.—The Secretary
- 14 shall develop a streamlined process for consideration of
- 15 amendments and extensions proposed by States to dem-
- 16 onstration projects conducted under this section.".
- 17 SEC. 406. AVAILABILITY OF REPORTS.
- 18 Section 1130 (42 U.S.C. 1320a-9) is further amend-
- 19 ed by adding at the end the following:
- 20 "(k) AVAILABILITY OF REPORTS.—The Secretary
- 21 shall make available to any State or other interested party
- 22 any report provided to the Secretary under subsection
- 23 (f)(2), and any evaluation or report made by the Secretary
- 24 with respect to a demonstration project conducted under

1	this section, with a focus on information that may promote
2	best practices and program improvements.".
3	SEC. 407. TECHNICAL CORRECTION.
4	Section $1130(b)(1)$ (42 U.S.C. $1320a-9(b)(1)$) is
5	amended by striking "422(b)(9)" and inserting
6	"422(b)(10)".
7	TITLE V—SUPPLEMENTAL
8	SECURITY INCOME
9	SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DIS-
10	ABILITY DETERMINATIONS.
11	Section 1633 (42 U.S.C. 1383b) is amended by add-
12	ing at the end the following:
13	"(e)(1) The Commissioner of Social Security shall re-
14	view determinations, made by State agencies pursuant to
15	subsection (a) in connection with applications for benefits
16	under this title on the basis of blindness or disability, that
17	individuals who have attained 18 years of age are blind
18	or disabled as of a specified onset date. The Commissioner
19	of Social Security shall review such a determination before
20	any action is taken to implement the determination.
21	"(2)(A) In earrying out paragraph (1), the Commis-
22	sioner of Social Security shall review—
23	"(i) at least 20 percent of all determinations re-
24	ferred to in paragraph (1) that are made in fiscal
25	vear 2004;

1	"(ii) at least 40 percent of all such determina-
2	tions that are made in fiscal year 2005; and
3	"(iii) at least 50 percent of all such determina-
4	tions that are made in fiscal year 2006 or thereafter.
5	"(B) In carrying out subparagraph (A), the Commis-
6	sioner of Social Security shall, to the extent feasible, select
7	for review the determinations which the Commissioner of
8	Social Security identifies as being the most likely to be
9	incorrect.".
10	TITLE VI—STATE AND LOCAL
11	FLEXIBILITY
12	SEC. 601. PROGRAM COORDINATION DEMONSTRATION
13	PROJECTS.
13 14	PROJECTS. (a) Purpose.—The purpose of this section is to es-
14 15	(a) Purpose.—The purpose of this section is to es-
14 15 16	(a) Purpose.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance,
14 15 16 17	(a) Purpose.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance,
14 15 16 17	(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the pur-
14 15 16 17 18	(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, help-
14 15 16 17 18 19 20	(a) Purpose.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child
14 15 16 17 18 19 20 21	(a) Purpose.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using inno-
14 15 16 17 18 19 20 21	(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and pro-
14 15 16 17 18 19 20 21	(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective service delivery.

1	qualified program, the head of the Federal agency
2	responsible for administering the program.
3	(2) QUALIFIED PROGRAM.—The term "qualified
4	program" means—
5	(A) a program under part A of title IV of
6	the Social Security Act;
7	(B) the program under title XX of such
8	Act;
9	(C) activities funded under title I of the
10	Workforce Investment Act of 1998, except sub-
11	title C of such title;
12	(D) a demonstration project authorized
13	under section 505 of the Family Support Act of
14	1988;
15	(E) activities funded under the Wagner-
16	Peyser Act;
17	(F) activities funded under the Adult Edu-
18	eation and Family Literacy Act;
19	(G) activities funded under the Child Care
20	and Development Block Grant Act of 1990;
21	(H) activities funded under the United
22	States Housing Act of 1937 (42 U.S.C. 1437 et
23	seg.), except that such term shall not include—

1	(i) any program for rental assistance
2	under section 8 of such Act (42 U.S.C.
3	1437f); and
4	(ii) the program under section 7 of
5	such Act (42 U.S.C. 1437e) for desig-
6	nating public housing for occupancy by
7	certain populations;
8	(I) activities funded under title I, II, III,
9	or IV of the McKinney-Vento Homeless Assist-
10	ance Act (42 U.S.C. 11301 et seq.); or
11	(J) the food stamp program as defined in
12	section 3(h) of the Food Stamp Act of 1977 (7
13	U.S.C. 2012(h)).
14	(e) Application Requirements.—The head of a
15	State entity or of a sub-State entity administering 2 or
16	more qualified programs proposed to be included in a dem-
17	onstration project under this section shall (or, if the
18	project is proposed to include qualified programs adminis-
19	tered by 2 or more such entities, the heads of the admin-
20	istering entities (each of whom shall be considered an ap-
21	plicant for purposes of this section) shall jointly) submit
22	to the administering Secretary of each such program an
23	application that contains the following:
24	(1) Programs included.—A statement identi-
25	fying each qualified program to be included in the

1	project, and describing how the purposes of each
2	such program will be achieved by the project.
3	(2) POPULATION SERVED.—A statement identi-
4	fying the population to be served by the project and
5	specifying the eligibility criteria to be used.
6	(3) Description and Justification.—A de-
7	tailed description of the project, including—
8	(A) a description of how the project is ex-
9	pected to improve or enhance achievement of
10	the purposes of the programs to be included in
11	the project, from the standpoint of quality, of
12	cost-effectiveness, or of both; and
13	(B) a description of the performance objec-
14	tives for the project, including any proposed
15	modifications to the performance measures and
16	reporting requirements used in the programs.
17	(4) Waivers requested.—A description of
18	the statutory and regulatory requirements with re-
19	spect to which a waiver is requested in order to
20	earry out the project, and a justification of the need
21	for each such waiver.
22	(5) Cost Neutrality.—Such information and
23	assurances as necessary to establish to the satisfac-
24	tion of the administering Secretary, in consultation
25	with the Director of the Office of Management and

1	Budget, that the proposed project is reasonably ex-
2	pected to meet the applicable cost neutrality require-
3	ments of subsection $(d)(4)$.
4	(6) Evaluation and reports.—An assurance
5	that the applicant will conduct ongoing and final
6	evaluations of the project, and make interim and
7	final reports to the administering Secretary, at such
8	times and in such manner as the administering Sec-
9	retary may require.
10	(7) Public Housing Agency Plan.—In the
11	case of an application proposing a demonstration
12	project that includes activities referred to in sub-
13	section $(b)(2)(H)$ of this section—
14	(A) a certification that the applicable an-
15	nual public housing agency plan of any agency
16	affected by the project that is approved under
17	section 5A of the United States Housing Act of
18	1937 (42 U.S.C. 1437c-1) by the Secretary in-
19	cludes the information specified in paragraphs
20	(1) through (4) of this subsection; and

(B) any resident advisory board recommendations, and other information, relating to the project that, pursuant to section 5Λ(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437e–1(e)(2), is required to

1	be included in the public housing agency plan of
2	any public housing agency affected by the
3	project.
4	(8) Other information and assurances.—
5	Such other information and assurances as the ad-
6	ministering Secretary may require.
7	(d) APPROVAL OF APPLICATIONS.—
8	(1) In General.—The administering Secretary
9	with respect to a qualified program that is identified
10	in an application submitted pursuant to subsection
11	(e) may approve the application and, except as pro-
12	vided in paragraph (2), waive any requirement appli-
13	cable to the program, to the extent consistent with
14	this section and necessary and appropriate for the
15	conduct of the demonstration project proposed in the
16	application, if the administering Secretary deter-
17	mines that the project—
18	(A) has a reasonable likelihood of achieving
19	the objectives of the programs to be included in
20	the project;
21	(B) may reasonably be expected to meet
22	the applicable cost neutrality requirements of
23	paragraph (4), as determined by the Director of
24	the Office of Management and Budget; and

1	(C) includes the coordination of 2 or more
2	qualified programs.
3	(2) Provisions excluded from waiver au-
4	THORITY.—A waiver shall not be granted under
5	paragraph (1)—
6	(A) with respect to any provision of law re-
7	lating to—
8	(i) civil rights or prohibition of dis-
9	erimination;
10	(ii) purposes or goals of any program;
11	(iii) maintenance of effort require-
12	ments;
13	(iv) health or safety;
14	(v) labor standards under the Fair
15	Labor Standards Act of 1938; or
16	(vi) environmental protection;
17	(B) with respect to section 241(a) of the
18	Adult Education and Family Literacy Act;
19	(C) in the case of a program under the
20	United States Housing Act of 1937 (42 U.S.C.
21	1437 et seq.), with respect to any requirement
22	under section 5A of such Act (42 U.S.C.
23	1437c-1; relating to public housing agency
24	plans and resident advisory boards);

1	(D) in the case of a program under the
2	Workforce Investment Act, with respect to any
3	requirement the waiver of which would violate
4	section 189(i)(4)(A)(i) of such Act;
5	(E) in the case of the food stamp program
6	(as defined in section 3(h) of the Food Stamp
7	Act of 1977 (7 U.S.C. 2012(h)), with respect to
8	any requirement under—
9	(i) section 6 (if waiving a requirement
10	under such section would have the effect of
11	expanding eligibility for the program), 7(b)
12	or 16(e) of the Food Stamp Act of 1977
13	(7 U.S.C. 2011 et seq.); or
14	(ii) title IV of the Personal Responsi-
15	bility and Work Opportunity Reconciliation
16	Act of 1996 (8 U.S.C. 1601 et seq.);
17	(F) with respect to any requirement that a
18	State pass through to a sub-State entity part or
19	all of an amount paid to the State;
20	(G) if the waiver would waive any funding
21	restriction or limitation provided in an appro-
22	priations Act, or would have the effect of trans-
23	ferring appropriated funds from 1 appropria-
24	tions account to another: or

1	(H) except as otherwise provided by stat
2	ute, if the waiver would waive any funding re-
3	striction applicable to a program authorized
4	under an Act which is not an appropriations
5	Act (but not including program requirements
6	such as application procedures, performance
7	standards, reporting requirements, or eligibility
8	standards), or would have the effect of transfer
9	ring funds from a program for which there is
10	direct spending (as defined in section 250(c)(8)
11	of the Balanced Budget and Emergency Defici-
12	Control Act of 1985) to another program.
13	(3) AGREEMENT OF EACH ADMINISTERING SEC
14	RETARY REQUIRED.—
15	(A) In General.—An applicant may not
16	conduct a demonstration project under this see
17	tion unless each administering Secretary with
18	respect to any program proposed to be included
19	in the project has approved the application to
20	conduct the project.
21	(B) AGREEMENT WITH RESPECT TO FUND
22	ING AND IMPLEMENTATION.—Before approving
23	an application to conduct a demonstration

project under this section, an administering

Secretary shall have in place an agreement with

24

the applicant with respect to the payment of funds and responsibilities required of the administering Secretary with respect to the project.

(4) Cost-neutrality requirement.—

(A) GENERAL RULE.—Notwithstanding any other provision of law (except subparagraph (B)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this section is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

(B) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this subparagraph to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pur-

suant to this section, during such period of not more than 5 consecutive fiscal years in which the project is in effect, and the Director determines, on the basis of supporting information provided by the applicant, to grant the request, then, notwithstanding any other provision of law, the total of the amounts that may be paid by the Federal Government for the period with respect to the programs shall not exceed the estimated total amount that the Federal Government would have paid for the period with respect to the programs if the project had not been conducted.

(5) 90-day approval deadline.—

(A) In GENERAL.—If an administering Secretary receives an application to conduct a demonstration project under this section and does not disapprove the application within 90 days after the receipt, then—

(i) the administering Secretary is deemed to have approved the application for such period as is requested in the application, except to the extent inconsistent with subsection (e); and

1	(ii) any waiver requested in the appli-
2	eation which applies to a qualified program
3	that is identified in the application and is
4	administered by the administering Sec-
5	retary is deemed to be granted, except to
6	the extent inconsistent with paragraph (2)
7	or (4) of this subsection.

- (B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—The 90-day period referred to in subparagraph (A) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.
- 16 (e) DURATION OF PROJECTS.—A demonstration
 17 project under this section may be approved for a term of
 18 not more than 5 years.

19 (f) Reports to Congress.—

(1) Report on disposition of applications.—Within 90 days after an administering Secretary receives an application submitted pursuant to this section, the administering Secretary shall submit to each Committee of the Congress which has jurisdiction over a qualified program identified in

1	the application notice of the receipt, a description
2	of the decision of the administering Secretary with
3	respect to the application, and the reasons for ap-
4	proving or disapproving the application.
5	(2) Reports on projects.—Each admin-
6	istering Secretary shall provide annually to the Con-
7	gress a report concerning demonstration projects ap-
8	proved under this section, including—
9	(A) the projects approved for each appli-
10	cant;
11	(B) the number of waivers granted under
12	this section, and the specific statutory provi-
13	sions waived;
14	(C) how well each project for which a waiv-
15	er is granted is improving or enhancing pro-
16	gram achievement from the standpoint of qual-
17	ity, cost-effectiveness, or both;
18	(D) how well each project for which a
19	waiver is granted is meeting the performance
20	objectives specified in subsection $(e)(3)(B)$;
21	(E) how each project for which a waiver is
22	granted is conforming with the cost-neutrality
23	requirements of subsection (d)(4); and
24	(F) to the extent the administering Sec-
25	retary deems appropriate, recommendations for

1	modification of programs based on outcomes of
2	the projects.
3	(g) Amendment to United States Housing Act
4	OF 1937.—Section 5A(d) of the United States Housing
5	Act of 1937 (42 U.S.C. 1437e-1(d)) is amended—
6	(1) by redesignating paragraph (18) as para-
7	graph (19); and
8	(2) by inserting after paragraph (17) the fol-
9	lowing new paragraph:
10	"(18) Program coordination demonstra-
11	TION PROJECTS.—In the case of an agency that ad-
12	ministers an activity referred to in section
13	701(b)(2)(H) of the Personal Responsibility, Work,
14	and Family Promotion Act of 2003 that, during
15	such fiscal year, will be included in a demonstration
16	project under section 701 of such Act, the informa-
17	tion that is required to be included in the application
18	for the project pursuant to paragraphs (1) through
19	(4) of section 701(b) of such Act.".
20	SEC. 602. STATE FOOD ASSISTANCE BLOCK GRANT DEM-
21	ONSTRATION PROJECT.
22	The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)
23	is amended by adding at the end the following:

1	"SEC. 28. STATE FOOD ASSISTANCE BLOCK GRANT DEM-
2	ONSTRATION PROJECT.
3	"(a) ESTABLISHMENT.—The Secretary shall estab-
4	lish a program to make grants to States in accordance
5	with this section to provide—
6	"(1) food assistance to needy individuals and
7	families residing in the State;
8	"(2) funds to operate an employment and train-
9	ing program under subsection (g) for needy individ-
10	uals under the program; and
11	"(3) funds for administrative costs incurred in
12	providing the assistance.
13	"(b) ELECTION.—
14	"(1) In General.—A State may elect to par-
15	ticipate in the program established under subsection
16	(a).
17	"(2) Election revocable.—A State that
18	elects to participate in the program established
19	under subsection (a) may subsequently reverse the
20	election of the State only once thereafter. Following
21	the reversal, the State shall only be eligible to par-
22	ticipate in the food stamp program in accordance
23	with the other sections of this Act and shall not re-
24	ceive a block grant under this section.
25	"(3) Program exclusive.—A State that is
26	participating in the program established under sub-

1	section (a) shall not be subject to, or receive any
2	benefit under, this Act except as provided in this
3	section.
4	"(e) LEAD AGENCY.—
5	"(1) Designation.—A State desiring to par-
6	ticipate in the program established under subsection
7	(a) shall designate, in an application submitted to
8	the Secretary under subsection (d)(1), an appro-
9	priate State agency that complies with paragraph
10	(2) to act as the lead agency for the State.
11	"(2) Duties.—The lead agency shall—
12	"(A) administer, either directly, through
13	other State agencies, or through local agencies,
14	the assistance received under this section by the
15	State;
16	"(B) develop the State plan to be sub-
17	mitted to the Secretary under subsection (d)(1);
18	and
19	"(C) coordinate the provision of food as-
20	sistance under this section with other Federal,
21	State, and local programs.
22	"(d) Application and Plan.—
23	"(1) Application.—To be eligible to receive
24	assistance under this section, a State shall prepare
25	and submit to the Secretary an application at such

1	time, in such manner, and containing such informa-
2	tion as the Secretary shall by regulation require, in
3	cluding—
4	"(A) an assurance that the State will com-
5	ply with the requirements of this section;
6	"(B) a State plan that meets the require
7	ments of paragraph (2); and
8	"(C) an assurance that the State will com-
9	ply with the requirements of the State plan
10	under paragraph (2).
11	"(2) REQUIREMENTS OF PLAN.—
12	"(A) LEAD AGENCY.—The State plan shall
13	identify the lead agency.
14	"(B) USE OF BLOCK GRANT FUNDS.—The
15	State plan shall provide that the State shall use
16	the amounts provided to the State for each fis-
17	eal year under this section—
18	"(i) to provide food assistance to
19	needy individuals and families residing in
20	the State, other than residents of institu-
21	tions who are ineligible for food stamps
22	under section 3(i);
23	"(ii) to administer an employment
24	and training program under subsection (g)
25	for needy individuals under the program

1	and to provide reimbursements to needy
2	individuals and families as would be al-
3	lowed under section 16(h)(3); and
4	"(iii) to pay administrative costs in-
5	curred in providing the assistance.
6	"(C) Assistance for entire state.
7	The State plan shall provide that benefits under
8	this section shall be available throughout the
9	entire State.
10	"(D) NOTICE AND HEARINGS.—The State
11	plan shall provide that an individual or family
12	who applies for, or receives, assistance under
13	this section shall be provided with notice of, and
14	an opportunity for a hearing on, any action
15	under this section that adversely affects the in-
16	dividual or family.
17	"(E) OTHER ASSISTANCE.—
18	"(i) Coordination.—The State plan
19	may coordinate assistance received under
20	this section with assistance provided under
21	the State program funded under part A of
22	title IV of the Social Security Act (42
23	U.S.C. 601 et seq.).
24	"(ii) Penalties.—If an individual or
25	family is penalized for violating part A of

1	title IV of the Act, the State plan may re-
2	duce the amount of assistance provided
3	under this section or otherwise penalize the
4	individual or family.
5	"(F) ELIGIBILITY LIMITATIONS.—The
6	State plan shall describe the income and re-
7	source eligibility limitations that are established
8	for the receipt of assistance under this section.
9	"(G) RECEIVING BENEFITS IN MORE THAN
10	1 JURISDICTION.—The State plan shall estab-
11	lish a system to verify and otherwise ensure
12	that no individual or family shall receive bene-
13	fits under this section in more than 1 jurisdic-
14	tion within the State.
15	"(H) PRIVACY.—The State plan shall pro-
16	vide for safeguarding and restricting the use
17	and disclosure of information about any indi-
18	vidual or family receiving assistance under this
19	section.
20	"(I) OTHER INFORMATION.—The State
21	plan shall contain such other information as
22	may be required by the Secretary.
23	"(3) APPROVAL OF APPLICATION AND PLAN.
24	During fiscal years 2004 through 2008, the Sec-
25	retary may approve the applications and State plans

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1	that satisfy the requirements of this section of not
2	more than 5 States for a term of not more than 5
3	years.
4	"(e) Construction of Facilities.—No funds
5	made available under this section shall be expended for
6	the purchase or improvement of land, or for the purchase,
7	construction, or permanent improvement of any building
8	or facility.
9	"(f) Benefits for Aliens.—No individual shall be

- 10 eligible to receive benefits under a State plan approved
- under subsection (d)(3) if the individual is not eligible to
- participate in the food stamp program under title IV of
- the Personal Responsibility and Work Opportunity Rec-
- onciliation Act of 1996 (8 U.S.C. 1601 et seq.). 14
- "(g) EMPLOYMENT AND TRAINING.—Each State 15
- shall implement an employment and training program for
- 17 needy individuals under the program.
- 18 "(h) ENFORCEMENT.
- 19 "(1) REVIEW OF COMPLIANCE WITH STATE
- PLAN.—The Secretary shall review and monitor 20
- 21 State compliance with this section and the State
- 22 plan approved under subsection (d)(3).
- "(2) NONCOMPLIANCE. 23

1	"(A) In General.—If the Secretary, after
2	reasonable notice to a State and opportunity for
3	a hearing, finds that—
4	"(i) there has been a failure by the
5	State to comply substantially with any pro-
6	vision or requirement set forth in the State
7	plan approved under subsection $(d)(3)$; or
8	"(ii) in the operation of any program
9	or activity for which assistance is provided
10	under this section, there is a failure by the
11	State to comply substantially with any pro-
12	vision of this section, the Secretary shall
13	notify the State of the finding and that no
14	further payments will be made to the State
15	under this section (or, in the case of non-
16	compliance in the operation of a program
17	or activity, that no further payments to the
18	State will be made with respect to the pro-
19	gram or activity) until the Secretary is sat-
20	isfied that there is no longer any failure to
21	comply or that the noncompliance will be
22	promptly corrected.
23	"(B) OTHER SANCTIONS.—In the case of a
24	finding of noncompliance made pursuant to
25	subparagraph (A), the Secretary may, in addi-

1	tion to, or in lieu of, imposing the sanctions de-
2	scribed in subparagraph (A), impose other ap-
3	propriate sanctions, including recoupment of
4	money improperly expended for purposes pro-
5	hibited or not authorized by this section and
6	disqualification from the receipt of financial as-
7	sistance under this section.
8	"(C) Notice.—The notice required under
9	subparagraph (A) shall include a specific identi-
10	fication of any additional sanction being im-
11	posed under subparagraph (B).
12	"(3) Issuance of regulations.—The Sec-
13	retary shall establish by regulation procedures for—
14	"(A) receiving, processing, and deter-
15	mining the validity of complaints concerning
16	any failure of a State to comply with the State
17	plan or any requirement of this section; and
18	"(B) imposing sanctions under this sec-
19	tion.
20	"(i) Payments.—
21	"(1) In GENERAL.—For each fiscal year, the
22	Secretary shall pay to a State that has an applica-
23	tion approved by the Secretary under subsection
24	(d)(3) an amount that is equal to the allotment of
25	the State under subsection (1)(2) for the fiscal year.

"(2) METHOD OF PAYMENT.—The Secretary shall make payments to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

"(3) Spending of funds by state.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), payments to a State from an allotment under subsection (l)(2) for a fiscal year may be expended by the State only in the fiscal year.

"(B) CARRYOVER.—The State may reserve up to 10 percent of an allotment under subsection (I)(2) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total allotment received under this section for a fiscal year.

"(4) Provision of food assistance.—A
State may provide food assistance under this section
in any manner determined appropriate by the State
to provide food assistance to needy individuals and
families in the State, such as electronic benefits
transfer limited to food purchases, coupons limited

1	to food purchases, or direct provision of commod-
2	ities.
3	"(5) Definition of food assistance.—In
4	this section, the term 'food assistance' means assist-
5	ance that may be used only to obtain food, as de-
6	fined in section $3(g)$.
7	"(j) Audits.—
8	"(1) REQUIREMENT.—After the close of each
9	fiscal year, a State shall arrange for an audit of the
10	expenditures of the State during the program period
11	from amounts received under this section.
12	"(2) Independent Auditor.—An audit under
13	this section shall be conducted by an entity that is
14	independent of any agency administering activities
15	that receive assistance under this section and be in
16	accordance with generally accepted auditing prin-
17	ciples.
18	"(3) PAYMENT ACCURACY.—Each annual audit
19	under this section shall include an audit of payment
20	accuracy under this section that shall be based on a
21	statistically valid sample of the caseload in the
22	State.
23	"(4) Submission.—Not later than 30 days

after the completion of an audit under this section,

the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

"(5) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this section to have not been expended in accordance with this section or to have not been expended in accordance with the State plan, or the Secretary may offset the amounts against any other amount paid to the State under this section.

"(k) Nondiscrimination.—

"(1) IN GENERAL. The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

"(2) Enforcement.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1). "(1) Allotments.—

"(1) DEFINITION OF STATE.—In this section, the term 'State' means each of the 50 States, the

1	District of Columbia, Guam, and the Virgin Islands
2	of the United States.
3	"(2) State allotment.—
4	"(A) In General.—Except as provided in
5	subparagraph (B), from the amounts made
6	available under section 18 of this Act for each
7	fiscal year, the Secretary shall allot to each
8	State participating in the program established
9	under subsection (a) an amount that is equal to
10	the sum of—
11	"(i) the greater of, as determined by
12	the Secretary—
13	"(I) the total dollar value of all
14	benefits issued under the food stamp
15	program established under this Act by
16	the State during fiscal year 2003; or
17	"(H) the average per fiscal year
18	of the total dollar value of all benefits
19	issued under the food stamp program
20	by the State during each of fiscal
21	years 2001 through 2003; and
22	"(ii) the greater of, as determined by
23	the Secretary—
24	"(I) the total amount received by
25	the State for administrative costs and

the employment and training program
under subsections (a) and (h), respec-
tively, of section 16 of this Act for fis-
cal year 2003; or

"(II) the average per fiscal year of the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for each of fiscal years 2001 through 2003.

"(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a prorata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.".

1	TITLE VII—ABSTINENCE
2	EDUCATION
3	SEC. 701. EXTENSION OF ABSTINENCE EDUCATION PRO-
4	GRAM.
5	(a) Extension of Appropriations.—Section
6	510(d) (42 U.S.C. 710(d)) is amended by striking "2002"
7	and inserting "2008".
8	(b) Allotment of Funds.—Section 510(a) (42
9	U.S.C. 710(a)) is amended—
10	(1) in the matter preceding paragraph (1), by
11	striking "an application for the fiscal year under
12	section 505(a)" and inserting ", for the fiscal year,
13	an application under section 505(a), and an applica-
14	tion under this section (in such form and meeting
15	such terms and conditions as determined appropriate
16	by the Secretary),"; and
17	(2) in paragraph (2), to read as follows:
18	"(2) the percentage that would be determined
19	for the State under section 502(e)(1)(B)(ii) if the
20	ealculation under such section took into consider-
21	ation only those States that transmitted both such
22	applications for such fiscal year.".
23	(e) Reallotment of Funds.—Section 510 (42
24	U.S.C. 710(a)) is amended by adding at the end the fol-
25	lowing new subsection:

1	"(e)(1) With respect to allotments under subsection
2	(a) for fiscal year 2004 and subsequent fiscal years, the
3	amount of any allotment to a State for a fiscal year that
4	the Secretary determines will not be required to earry out
5	a program under this section during such fiscal year or
6	the succeeding fiscal year shall be available for reallotment
7	from time to time during such fiscal years on such dates
8	as the Secretary may fix, to other States that the Sec-
9	retary determines—
10	"(A) require amounts in excess of amounts pre-
11	viously allotted under subsection (a) to carry out a
12	program under this section; and
13	"(B) will use such excess amounts during such
14	fiscal years.
15	"(2) Reallotments under paragraph (1) shall be made
16	on the basis of such States' applications under this sec-
17	tion, after taking into consideration the population of low-
18	income children in each such State as compared with the
19	population of low-income children in all such States with
20	respect to which a determination under paragraph (1) has
21	been made by the Secretary.
22	"(3) Any amount reallotted under paragraph (1) to
23	a State is deemed to be part of its allotment under sub-

24 section (a).".

1	(d) EFFECTIVE DATE.—The amendments made by
2	this section shall be effective with respect to the program
3	under section 510 for fiscal years 2004 and succeeding
4	fiscal years.
5	TITLE VIII—TRANSITIONAL
6	MEDICAL ASSISTANCE
7	SEC. 801. EXTENSION OF MEDICAID TRANSITIONAL MED-
8	ICAL ASSISTANCE PROGRAM THROUGH FIS-
9	CAL YEAR 2004.
10	(a) In General.—Section 1925(f) (42 U.S.C.
11	1396r-6(f)) is amended by striking "2002" and inserting
12	<u>"2004".</u>
13	(b) Conforming Amendment.—Section
14	1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is amended by
15	striking "September 30, 2002" and inserting "the last
16	date (if any) on which section 1925 applies under sub-
17	section (f) of that section".
18	(e) Effective Date.—The amendments made by
19	this section shall take effect October 1, 2003.
20	SEC. 802. ADJUSTMENT TO PAYMENTS FOR MEDICAID AD-
21	MINISTRATIVE COSTS TO PREVENT DUPLICA-
22	TIVE PAYMENTS AND TO FUND EXTENSION
23	OF TRANSITIONAL MEDICAL ASSISTANCE.
24	Section 1903 (42 U.S.C. 1396b) is amended—

1	(1) in subsection $(a)(7)$, by striking "section
2	1919(g)(3)(B)" and inserting "subsection (x) and
3	section 1919(g)(3)(C)"; and
4	(2) by adding at the end the following:
5	"(x) Adjustments to Payments for Administra-
6	TIVE COSTS TO FUND EXTENSION OF TRANSITIONAL
7	Medical Assistance.—
8	"(1) REDUCTIONS IN PAYMENTS FOR ADMINIS-
9	TRATIVE COSTS. Effective for each calendar quar-
10	ter in fiscal year 2004 and fiscal year 2005, the Sec-
11	retary shall reduce the amount paid under sub-
12	section (a)(7) to each State by an amount equal to
13	45 percent for fiscal year 2004, and 80 percent for
14	fiscal year 2005, of one-quarter of the annualized
15	amount determined for the medicaid program under
16	section 16(k)(2)(B) of the Food Stamp Act of 1977
17	(7 U.S.C. 2025(k)(2)(B)).
18	"(2) Allocation of administrative
19	costs.—None of the funds or expenditures de-
20	scribed in section 16(k)(5)(B) of the Food Stamp
21	Act of 1977 (7 U.S.C. 2025(k)(5)(B)) may be used
22	to pay for costs—
23	"(A) eligible for reimbursement under sub-
24	section (a)(7) (or costs that would have been el-

1	igible for reimbursement but for this sub-
2	section); and
3	"(B) allocated for reimbursement to the
4	program under this title under a plan submitted
5	by a State to the Secretary to allocate adminis-
6	trative costs for public assistance programs;
7	except that, for purposes of subparagraph (A), the
8	reference in clause (iii) of that section to 'subsection
9	(a)' is deemed a reference to subsection (a)(7) and
10	clause (iv)(II) of that section shall be applied as if
11	'medicaid program' were substituted for 'food stamp
12	program'.'.
	TITLE IX—EFFECTIVE DATE
13	TITLE IA—EFFECTIVE DATE
1314	SEC. 901. EFFECTIVE DATE.
14	SEC. 901. EFFECTIVE DATE.
14 15	SEC. 901. EFFECTIVE DATE. (a) IN GENERAL.—Except as otherwise provided, the
141516	SEC. 901. EFFECTIVE DATE. (a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date
14151617	SEC. 901. EFFECTIVE DATE. (a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act.
14 15 16 17 18	SEC. 901. EFFECTIVE DATE. (a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act. (b) EXCEPTION.—In the case of a State plan under
14 15 16 17 18 19	SEC. 901. EFFECTIVE DATE. (a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act. (b) EXCEPTION.—In the ease of a State plan under part A or D of title IV of the Social Security Act which
14 15 16 17 18 19 20	(a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act. (b) Exception.—In the case of a State plan under part A or D of title IV of the Social Security Act which the Secretary determines requires State legislation in
14 15 16 17 18 19 20 21	SEC. 901. EFFECTIVE DATE. (a) IN GENERAL.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act. (b) EXCEPTION.—In the ease of a State plan under part A or D of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements im-
14 15 16 17 18 19 20 21 22	(a) In General.—Except as otherwise provided, the amendments made by this Act shall take effect on the date of the enactment of this Act. (b) Exception.—In the case of a State plan under part A or D of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the effective

- 1 ular session of the State legislature that begins after the
- 2 date of the enactment of this Act. For purposes of the
- 3 preceding sentence, in the case of a State that has a 2-
- 4 year legislative session, each year of the session shall be
- 5 considered to be a separate regular session of the State
- 6 legislature.

7 SECTION 1. SHORT TITLE.

- 8 This Act may be cited as the "Personal Responsibility
- 9 and Individual Development for Everyone Act" or the
- 10 *"PRIDE Act"*.

11 SEC. 2. TABLE OF CONTENTS.

- 12 The table of contents of this Act is as follows:
 - Sec. 1. Short title.
 - Sec. 2. Table of contents.
 - Sec. 3. References.

TITLE I—TANF

- Sec. 101. State plan.
- Sec. 102. Family assistance grants.
- Sec. 103. Promotion of family formation and healthy marriage.
- Sec. 104. Supplemental grant for population increases in certain States.
- Sec. 105. Bonus to reward employment achievement.
- Sec. 106. Contingency fund.
- Sec. 107. Use of funds.
- Sec. 108. Repeal of Federal loan for State welfare programs.
- Sec. 109. Work participation requirements.
- Sec. 110. Universal engagement and family self-sufficiency plan requirements; other prohibitions and requirements.
- Sec. 111. Penalties.
- Sec. 112. Data collection and reporting.
- Sec. 113. Direct funding and administration by Indian tribes.
- Sec. 114. Research, evaluations, and national studies.
- Sec. 115. Study by the Census Bureau.
- Sec. 116. Funding for child care.
- Sec. 117. Definitions.
- Sec. 118. Responsible fatherhood program.
- Sec. 119. Additional grants.
- Sec. 120. Technical corrections.

TITLE II—ABSTINENCE EDUCATION

Sec. 201. Extension of abstinence education program.

TITLE III—CHILD SUPPORT

- Sec. 301. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.
- Sec. 302. Mandatory review and adjustment of child support orders for families receiving TANF.
- Sec. 303. Report on undistributed child support payments.
- Sec. 304. Use of new hire information to assist in administration of unemployment compensation programs.
- Sec. 305. Decrease in amount of child support arrearage triggering passport denial.
- Sec. 306. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 307. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce obligations.
- Sec. 308. Improving Federal debt collection practices.
- Sec. 309. Maintenance of technical assistance funding.
- Sec. 310. Maintenance of Federal parent locator service funding.
- Sec. 311. Identification and seizure of assets held by multistate financial institutions.
- Sec. 312. Information comparisons with insurance data.
- Sec. 313. Tribal access to the Federal parent locator service.
- Sec. 314. Reimbursement of Secretary's costs of information comparisons and disclosure for enforcement of obligations on Higher Education Act loans and grants.
- Sec. 315. Technical amendment relating to cooperative agreements between States and Indian tribes.
- Sec. 316. Claims upon longshore and harbor workers' compensation for child support.
- Sec. 317. State option to use statewide automated data processing and information retrieval system for interstate cases.
- Sec. 318. Interception of gambling winnings for child support.
- Sec. 319. State law requirement concerning the Uniform Interstate Family Support Act (UIFSA).
- Sec. 320. Grants to States for access and visitation programs.
- Sec. 321. Timing of corrective action year for State noncompliance with child support enforcement program requirements.

TITLE IV—CHILD WELFARE

- Sec. 401. Extension of authority to approve demonstration projects.
- Sec. 402. Removal of Commonwealth of Puerto Rico foster care funds from limitation on payments.
- Sec. 403. Technical correction.

TITLE V—SUPPLEMENTAL SECURITY INCOME

Sec. 501. Review of State agency blindness and disability determinations.

TITLE VI—TRANSITIONAL MEDICAL ASSISTANCE

Sec. 601. Extension and simplification of the transitional medical assistance program (TMA).

Sec. 602. Prohibition against covering childless adults with SCHIP funds.

TITLE VII—EFFECTIVE DATE

Sec. 701. Effective date.

1	SEC. 3. REFERENCES.
2	Except as otherwise expressly provided, wherever in
3	this Act an amendment or repeal is expressed in terms of
4	an amendment to, or repeal of, a section or other provision,
5	the amendment or repeal shall be considered to be made
6	to a section or other provision of the Social Security Act.
7	TITLE I—TANF
8	SEC. 101. STATE PLAN.
9	(a) Performance Improvement.—Section 402(a)
10	(42 U.S.C. 602(a)) is amended—
11	(1) in paragraph (1)—
12	(A) in subparagraph (A)—
13	(i) by redesignating clause (vi) as
14	clause (vii); and
15	(ii) by striking clause (v) and insert-
16	ing the following:
17	"(v) Establish specific measurable per-
18	formance objectives for pursuing the pur-
19	poses of the program under this part as de-
20	scribed in section 401(a), including by—
21	"(I) establishing objectives con-
22	sistent (as determined by the State)
23	with the criteria used by the Secretary

1	in establishing performance targets
2	under section $403(a)(4)(C)$ (including
3	with respect to workplace attachment
4	and advancement), and with such ad-
5	ditional criteria related to other pur-
6	poses of the program under this part
7	as described in section 401(a) as the
8	Secretary, in consultation with the Na-
9	tional Governors' Association and the
10	American Public Human Services As-
11	sociation, shall establish; and
12	"(II) describing the methodology
13	that the State will use to measure
14	State performance in relation to each
15	$such\ objective.$
16	"(vi) Describe any strategies and pro-
17	grams the State plans to use to address—
18	"(I) employment retention and
19	advancement for recipients of assist-
20	ance under the program, including
21	placement into high-demand jobs, and
22	whether the jobs are identified using
23	labor market information;
24	"(II) efforts to reduce teen preg-
25	nancy;

1	"(III) services for struggling and
2	noncompliant families, and for clients
3	with special problems; and
4	"(IV) program integration, in-
5	cluding the extent to which employ-
6	ment and training services under the
7	program are provided through the One-
8	Stop delivery system created under the
9	Workforce Investment Act of 1998, and
10	the extent to which former recipients of
11	such assistance have access to addi-
12	tional core, intensive, or training serv-
13	ices funded through such Act."; and
14	(B) in subparagraph (B) —
15	(i) by striking clauses (i) and (iv);
16	(ii) by redesignating clauses (ii) and
17	(iii) as clauses (i) and (ii), respectively;
18	and
19	(iii) by inserting after clause (ii) (as
20	so redesignated by clause (ii)) the following:
21	"(iii) If the State is undertaking any
22	strategies or programs to engage faith-based
23	organizations in the provision of services
24	funded under this part, or that otherwise re-
25	late to section 104 of the Personal Responsi-

1	bility and Work Opportunity Reconciliation
2	Act of 1996, the document shall describe
3	such strategies and programs.
4	"(iv) The document shall describe
5	strategies to improve program management
6	and performance.
7	"(v) The document shall include a per-
8	formance report which details State
9	progress toward full engagement for all
10	adult or minor child head of household re-
11	cipients of assistance.";
12	(2) in paragraph (4), by inserting "and tribal"
13	after "that local"; and
14	(3) by adding at the end the following:
15	"(8) CERTIFICATION OF CONSULTATION ON PRO-
16	VISION OF TRANSPORTATION AID.—In the case of a
17	State that provides transportation aid under the
18	State program, a certification by the chief executive
19	officer of the State that State and local transportation
20	agencies and planning bodies have been consulted in
21	the development of the plan.".
22	(b) Procedures for Submitting and Amending
23	State Plans.—
24	(1) In general.—Subsection (b) of section 402
25	(42 U.S.C. 602(b)) is amended to read as follows:

1	"(b) Procedures for Submitting and Amending
2	State Plans.—
3	"(1) Standard state plan format.—The Sec-
4	retary shall, after notice and public comment, develop
5	a proposed Standard State Plan Form to be used by
6	States under subsection (a). Such form shall be final-
7	ized by the Secretary for use by States not later than
8	9 months after the date of enactment of the Personal
9	Responsibility and Individual Development for Ev-
10	eryone Act.
11	"(2) Requirement for completed plan
12	USING STANDARD STATE PLAN FORMAT BY FISCAL
13	YEAR 2005.—Notwithstanding any other provision of
14	law, each State shall submit a complete State plan,
15	using the Standard State Plan Form developed under
16	paragraph (1), not later than October 1, 2004.
17	"(3) Public notice and comment.—Prior to
18	submitting a State plan to the Secretary under this
19	section, the State shall—
20	"(A) make the proposed State plan avail-
21	able to the public through an appropriate State
22	maintained Internet website and through other
23	means as the State determines appropriate;
24	"(B) allow for a reasonable public comment
25	period of not less than 45 days; and

1	"(C) make comments received concerning
2	such plan or, at the discretion of the State, a
3	summary of the comments received available to
4	the public through such website and through
5	other means as the State determines appropriate.
6	"(4) Public availability of state plan.—A
7	State shall ensure that the State plan that is in effect
8	for any fiscal year is available to the public through
9	an appropriate State maintained Internet website
10	and through other means as the State determines ap-
11	propriate.
12	"(5) Amending the state plan.—A State shall
13	file an amendment to the State plan with the Sec-
14	retary if the State determines that there has been a
15	material change in any information required to be
16	included in the State plan or any other information
17	that the State has included in the plan, including
18	substantial changes in the use of funding. Prior to
19	submitting an amendment to the State plan to the
20	Secretary, the State shall—
21	"(A) make the proposed amendment avail-
22	able to the public as provided for in paragraph
23	(3)(A);
24	"(B) allow for a reasonable public comment
25	period of not less than 45 days; and

1	"(C) make the comments available as pro-
2	$vided\ for\ in\ paragraph\ (3)(C).".$
3	(2) Conforming amendment.—Section 402 (42
4	U.S.C. 602) is amended by striking subsection (c).
5	(c) Consultation With State Regarding Plan
6	AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1)
7	(42 U.S.C. 612(b)(1)) is amended—
8	(1) in subparagraph (E), by striking "and" at
9	$the\ end;$
10	(2) in subparagraph (F), by striking the period
11	at the end and inserting "; and"; and
12	(3) by adding at the end the following:
13	"(G) provides an assurance that the State
14	in which the tribe is located has been consulted
15	regarding the plan and its design.".
16	(d) Performance Measures.—Section 413 (42
17	U.S.C. 613) is amended by adding at the end the following:
18	"(k) Performance Improvement.—The Secretary,
19	in consultation with the States, shall develop uniform per-
20	formance measures designed to assess the degree of effective-
21	ness, and the degree of improvement, of State programs
22	funded under this part in accomplishing the purposes of
23	this part.".
24	(e) Annual Ranking of States.—Section 413(d)(1)
25	(42 U.S.C. 613(d)(1)) is amended to read as follows:

1	"(1) Annual ranking of states.—
2	"(A) In General.—The Secretary shall
3	rank annually the States to which grants are
4	paid under section 403 in the order of their suc-
5	cess in—
6	"(i) placing recipients of assistance
7	under the State program funded under this
8	part into private sector jobs;
9	"(ii) the success of the recipients in re-
10	$taining\ employment;$
11	"(iii) the ability of the recipients to in-
12	crease their wages;
13	"(iv) the degree to which recipients
14	have workplace attachment and advance-
15	ment;
16	"(v) reducing the overall welfare case-
17	load; and
18	"(vi) when a practicable method for
19	calculating this information becomes avail-
20	able, diverting individuals from formally
21	applying to the State program and receiv-
22	ing assistance.
23	"(B) Consideration of other fac-
24	TORS.—In ranking States under this paragraph,
25	the Secretary shall take into account the average

1	number of minor children living at home in fam-
2	ilies in the State that have incomes below the
3	poverty line and the amount of funding provided
4	each State under this part for such families.".
5	SEC. 102. FAMILY ASSISTANCE GRANTS.
6	(a) Extension of Authority.—Section 403(a)(1)
7	(42 U.S.C. $603(a)(1)(A)$), as amended by section $3(a)$ of
8	the Welfare Reform Extension Act of 2003 (Public Law
9	108–040, 117 Stat. 836), is amended—
10	(1) in subparagraph (A)—
11	(A) by striking "1996, 1997, 1998, 1999,
12	2000, 2001, 2002, and 2003" and inserting
13	"2004 through 2008"; and
14	(B) by inserting "payable to the State for
15	the fiscal year" before the period; and
16	(2) in subparagraph (C), by striking "for fiscal
17	year 2003" and all that follows through the period,
18	and inserting "for each of fiscal years 2004 through
19	2008, \$16,566,542,000 for grants under this para-
20	graph.".
21	(b) Matching Grants for the Territories.—Sec-
22	tion 1108(b)(2) (42 U.S.C. 1308(b)(2)), as amended by sec-
23	tion 3(b) of the Welfare Reform Extension Act of 2003 (Pub-
24	lic Law 108-040, 117 Stat. 836), is amended by striking
25	"1997 through 2003" and inserting "2004 through 2008".

1	SEC. 103. PROMOTION OF FAMILY FORMATION AND
2	HEALTHY MARRIAGE.
3	(a) State Plans.—Section 402(a)(1)(A) (42 U.S.C.
4	602(a)(1)(A)), as amended by section 101(a), is amended
5	by adding at the end the following:
6	"(viii) Encourage equitable treatment
7	of healthy 2-parent married families under
8	the program referred to in clause (i).".
9	(b) Healthy Marriage Promotion Grants; Re-
10	PEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY
11	Ratio.—Section $403(a)(2)$ (42 U.S.C. $603(a)(2)$) is amend-
12	ed to read as follows:
13	"(2) Healthy marriage promotion
14	GRANTS.—
15	"(A) AUTHORITY.—
16	"(i) In general.—The Secretary shall
17	award competitive grants to States, terri-
18	tories, and Indian tribes and tribal organi-
19	zations for not more than 50 percent of the
20	cost of developing and implementing inno-
21	vative programs to promote and support
22	healthy 2-parent married families.
23	"(ii) Use of other tanf funds.—A
24	State or Indian tribe with an approved
25	tribal family assistance plan may use funds
26	provided under other grants made under

1	this part for all or part of the expenditures
2	incurred for the remainder of the costs de-
3	scribed in clause (i). In the case of a State,
4	any such funds expended shall not be con-
5	sidered qualified State expenditures for pur-
6	poses of section $409(a)(7)$.
7	"(B) Healthy marriage promotion ac-
8	TIVITIES.—Funds provided under subparagraph
9	(A) shall be used to support any of the following
10	programs or activities:
11	"(i) Public advertising campaigns on
12	the value of marriage and the skills needed
13	to increase marital stability and health.
14	"(ii) Education in high schools on the
15	value of marriage, relationship skills, and
16	budgeting.
17	"(iii) Marriage education, marriage
18	skills, and relationship skills programs, that
19	may include parenting skills, financial
20	management, conflict resolution, and job
21	and career advancement, for non-married
22	pregnant women, non-married expectant fa-
23	thers, and non-married recent parents.
24	"(iv) Pre-marital education and mar-
25	riage skills training for engaged couples and

1	for couples or individuals interested in
2	marriage.
3	"(v) Marriage enhancement and mar-
4	riage skills training programs for married
5	couples.
6	"(vi) Divorce reduction programs that
7	teach relationship skills.
8	"(vii) Marriage mentoring programs
9	which use married couples as role models
10	and mentors.
11	"(viii) Programs to reduce the dis-
12	incentives to marriage in means-tested aid
13	programs, if offered in conjunction with
14	any activity described in this subpara-
15	graph.
16	"(C) Voluntary Participation.—Partici-
17	pation in programs or activities described in
18	any of clauses (iii) through (vii) shall be vol-
19	untary.
20	"(D) General rules governing use of
21	FUNDS.—The rules of section 404, other than
22	subsection (b) of that section, shall not apply to
23	a grant made under this paragraph.
24	"(E) REQUIREMENTS FOR RECEIPT OF
25	FUNDS.—A State, territory, or Indian tribe or

1	tribal organization may not be awarded a grant
2	under this paragraph unless the State, territory,
3	Indian tribe or tribal organization, as a condi-
4	tion of receiving funds under such a grant—
5	"(i) consults with experts in domestic
6	violence or with relevant community domes-
7	tic violence coalitions in developing such
8	programs or activities; and
9	"(ii) describes in the application for a
10	grant under this paragraph—
11	"(I) how the programs or activi-
12	ties proposed to be conducted will ad-
13	dress, as appropriate, issues of domes-
14	tic violence; and
15	"(II) what the State, territory, or
16	Indian tribe or tribal organization,
17	will do, to the extent relevant, to en-
18	sure that participation in such pro-
19	grams or activities is voluntary, and to
20	inform potential participants that
21	their involvement is voluntary.
22	"(F) Appropriation.—
23	"(i) In general.—Out of any money
24	in the Treasury of the United States not
25	otherwise appropriated, there are appro-

1	priated for each of fiscal years 2004 through
2	2008, \$100,000,000 for grants under this
3	paragraph.
4	"(ii) Extended availability of
5	FUNDS.—
6	"(I) In general.—Funds appro-
7	priated under clause (i) for each of fis-
8	cal years 2004 through 2008 shall re-
9	main available to the Secretary until
10	expended.
11	"(II) Authority for grant re-
12	cipients.—A State, territory, or In-
13	dian tribe or tribal organization may
14	use funds made available under a
15	grant awarded under this paragraph
16	without fiscal year limitation pursu-
17	ant to the terms of the grant.".
18	(c) Counting of Spending on Non-Eligible Fami-
19	LIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-
20	Wedlock Births, Encourage Formation and Mainte-
21	NANCE OF HEALTHY 2-PARENT MARRIED FAMILIES, OR
22	Encourage Responsible Fatherhood.—Section
23	409(a)(7)(B)(i) (42 U.S.C. $609(a)(7)(B)(i)$) is amended by
24	adding at the end the following:

1	"(V) Counting of spending on
2	NON-ELIGIBLE FAMILIES TO PREVENT
3	AND REDUCE INCIDENCE OF OUT-OF-
4	WEDLOCK BIRTHS, ENCOURAGE FORMA-
5	TION AND MAINTENANCE OF HEALTHY
6	2-PARENT MARRIED FAMILIES, OR EN-
7	COURAGE RESPONSIBLE FATHER-
8	HOOD.—Subject to subclauses (II) and
9	(III), the term 'qualified State expend-
10	itures' includes the total expenditures
11	by the State during the fiscal year
12	under all State programs for a purpose
13	described in paragraph (3) or (4) of
14	section 401(a).".
15	(d) Purposes.—Section $401(a)(4)$ $(42$ U.S.C.
16	601(a)(4)) is amended by striking "two-parent families"
17	and inserting "healthy 2-parent married families, and en-
18	courage responsible fatherhood".
19	SEC. 104. SUPPLEMENTAL GRANT FOR POPULATION IN-
20	CREASES IN CERTAIN STATES.
21	Section $403(a)(3)(H)$ (42 U.S.C. $603(a)(3)(H)$), as
22	amended by section 3(d) of the Welfare Reform Extension
23	Act of 2003 (Public Law 108-040), 117 Stat. 837), is
24	amended—

1	(1) in clause (i), by striking "2002 and 2003"
2	and inserting "2004 through 2007";
3	(2) in clause (ii), by striking "2003" and insert-
4	ing "2007"; and
5	(3) in clause (iii), by striking "2002 and 2003"
6	and inserting "2004 through 2007".
7	SEC. 105. BONUS TO REWARD EMPLOYMENT ACHIEVEMENT.
8	(a) Bonus To Reward Employment Achieve-
9	MENT.—Section 403(a)(4) (42 U.S.C. 603(a)(4)) is amend-
10	ed to read as follows:
11	"(4) Bonus to reward employment achieve-
12	MENT.—
13	"(A) In GENERAL.—The Secretary shall
14	make a grant pursuant to this paragraph to
15	each State for each bonus year for which the
16	State is an employment achievement State.
17	"(B) Amount of grant.—
18	"(i) In general.—Subject to clause
19	(ii), the Secretary shall determine the
20	amount of the grant payable under this
21	paragraph to an employment achievement
22	State for a bonus year, which shall be based
23	on the performance of the State as deter-
24	mined under subparagraph (D)(i) for the

1	fiscal year that immediately precedes the
2	bonus year.
3	"(ii) Limitation.—The amount pay-
4	able to a State under this paragraph for a
5	bonus year shall not exceed 5 percent of the
6	State family assistance grant.
7	"(C) Formula for measuring state per-
8	FORMANCE.—
9	"(i) In general.—Subject to clause
10	(ii), not later than October 1, 2004, the Sec-
11	retary, in consultation with the States, shall
12	develop a formula for measuring State per-
13	formance in operating the State program
14	funded under this part so as to achieve the
15	goals of employment entry, job retention,
16	increased earnings from employment, and
17	workplace attachment and advancement for
18	families receiving assistance under the pro-
19	gram, as measured on an absolute basis and
20	on the basis of improvement in State per-
21	formance.
22	"(ii) Special rule for bonus years
23	2004 AND 2005.—For the purposes of award-
24	ing a bonus under this paragraph for bonus
25	uear 2004 or 2005, the Secretary may

1	measure the performance of a State in fiscal
2	year 2003 or 2004 (as the case may be)
3	using the job entry rate, job retention rate,
4	and earnings gain rate components of the
5	formula developed under section
6	403(a)(4)(C) as in effect immediately before
7	the effective date of this paragraph.
8	"(D) Determination of state perform-
9	ANCE.—For each bonus year, the Secretary
10	shall—
11	"(i) use the formula developed under
12	subparagraph (C) to determine the perform-
13	ance of each eligible State for the fiscal year
14	that precedes the bonus year; and
15	"(ii) prescribe performance standards
16	in such a manner so as to ensure that—
17	"(I) the average annual total
18	amount of grants to be made under
19	this paragraph for each bonus year
20	equals \$100,000,000; and
21	"(II) the total amount of grants to
22	be made under this paragraph for all
23	bonus years equals \$600,000,000.
24	"(E) DEFINITIONS.—In this paragraph:

1	"(i) Bonus year.—The term bonus
2	year' means each of fiscal years 2004
3	through 2009.
4	"(ii) Employment achievement
5	STATE.—The term 'employment achievement
6	State' means, with respect to a bonus year,
7	an eligible State whose performance deter-
8	$mined\ pursuant\ to\ subparagraph\ (D)(i)\ for$
9	the fiscal year preceding the bonus year
10	equals or exceeds the performance standards
11	prescribed under subparagraph (D)(ii) for
12	such preceding fiscal year.
13	"(F) Appropriation.—Out of any money
14	in the Treasury of the United States not other-
15	wise appropriated, there are appropriated for the
16	period of fiscal years 2004 through 2009,
17	\$600,000,000 for grants under this paragraph.
18	"(G) Grants for tribal organiza-
19	TIONS.—This paragraph shall apply with respect
20	to tribal organizations in the same manner in
21	which this paragraph applies with respect to
22	States. In determining the criteria under which
23	to make grants to tribal organizations under this
24	paragraph, the Secretary shall consult with trib-
25	al organizations.".

1	(b) Effective Date.—The amendment made by sub-
2	section (a) shall take effect on October 1, 2003.
3	SEC. 106. CONTINGENCY FUND.
4	(a) Contingency Funding Available to Needy
5	States.—Section 403(b) (42 U.S.C. 603(b)) is amended—
6	(1) by striking paragraphs (1) through (3) and
7	inserting the following:
8	"(1) Contingency fund grants.—
9	"(A) Payments.—Subject to subparagraph
10	(C), and out of funds appropriated under sub-
11	paragraph (E), each State shall receive a contin-
12	gency fund grant for each eligible month in
13	which the State is a needy State under para-
14	graph(3).
15	"(B) Monthly contingency fund grant
16	AMOUNT.—For each eligible month in which a
17	State is a needy State, the State shall receive a
18	contingency fund grant equal to the product of—
19	"(i) the applicable percentage (as de-
20	fined under subparagraph $(D)(i)$) of the ap-
21	plicable benefit level (as defined in subpara-
22	$graph\ (D)(ii));\ and$
23	"(ii) the amount by which the total
24	number of families that received assistance
25	under the State program funded under this

1	part in the most recently concluded 3-month
2	period for which data are available from the
3	State exceeds a 5-percent increase in the
4	number of such families in the cor-
5	responding 3-month period in either of the
6	2 most recent preceding fiscal years and
7	that was due, in large measure, to economic
8	conditions rather than State policy changes.
9	"(C) Limitation.—The total amount paid
10	to a single State under subparagraph (A) during
11	a fiscal year shall not exceed the amount equal
12	to 10 percent of the State family assistance grant
13	(as defined under subparagraph (B) of subsection
14	(a)(1)).
15	"(D) Definitions.—In this paragraph:
16	"(i) Applicable percentage.—The
17	term 'applicable percentage' means the Fed-
18	eral medical assistance percentage for the
19	State (as defined in section 1905(b)).
20	"(ii) Applicable benefit level.—
21	"(I) In general.—Subject to
22	subclause (II), the term 'applicable
23	benefit level' means the amount equal
24	to the maximum cash assistance grant
25	for a family consisting of 3 individuals

1	under the State program funded under
2	this part.
3	"(II) Rule for states with
4	MORE THAN 1 MAXIMUM LEVEL.—In
5	the case of a State that has more than
6	1 maximum cash assistance grant level
7	for families consisting of 3 individuals,
8	the basic assistance cost shall be the
9	amount equal to the maximum cash
10	assistance grant level applicable to the
11	largest number of families consisting of
12	3 individuals receiving assistance
13	under the State program funded under
14	this part.
15	"(E) Appropriation.—Out of any money
16	in the Treasury of the United States not other-
17	wise appropriated, there is appropriated for the
18	period of fiscal years 2004 through 2008, such
19	sums as are necessary for making contingency
20	fund grants under this subsection in a total
21	amount not to exceed \$2,000,000,000.";
22	(2) by redesignating paragraph (4) as para-
23	graph (2); and
24	(3) in paragraph (2), as so redesignated—

1	(A) by striking "(3)(A)" and inserting
2	"(1)"; and
3	(B) by striking "2-month period that begins
4	with any" and inserting "fiscal year quarter
5	that includes a".
6	(b) Modification of Definition of Needy
7	STATE.—Section 403(b), as amended by subsection (a), (42
8	U.S.C. 603(b)) is further amended—
9	(1) by striking paragraphs (5) and (6);
10	(2) by redesignating paragraphs (7) and (8) as
11	paragraphs (5) and (6), respectively; and
12	(3) by inserting after paragraph (2) (as redesig-
13	nated by subsection $(a)(2)$) the following:
14	"(3) Initial determination of whether a
15	STATE QUALIFIES AS A NEEDY STATE.—
16	"(A) In general.—For purposes of para-
17	graph (1), subject to paragraph (4), a State will
18	be initially determined to be a needy State for
19	a month if, as determined by the Secretary—
20	"(i) the monthly average of the
21	unduplicated number of families that re-
22	ceived assistance under the State program
23	funded under this part in the most recently
24	concluded 3-month period for which data
25	are available from the State increased by at

1	least 5 percent over the number of such fam-
2	ilies that received such benefits in the cor-
3	responding 3-month period in either of the
4	2 most recent preceding fiscal years;
5	"(ii) the increase in the number of
6	such families for the State was due, in large
7	measure, to economic conditions rather than
8	State policy changes; and
9	"(iii) the State satisfies any of the fol-
10	lowing criteria:
11	"(I) The average rate of total un-
12	employment in the State (seasonally
13	adjusted) for the period consisting of
14	the most recent 3 months for which
15	data are available has increased by the
16	lesser of 1.5 percentage points or by 50
17	percent over the corresponding 3-month
18	period in either of the 2 most recent
19	preceding fiscal years.
20	"(II) The average insured unem-
21	ployment rate for the most recent 13
22	weeks for which data are available has
23	increased by 1 percentage point over
24	the corresponding 13-week period in ei-

1	ther of the 2 most recent preceding fis-
2	cal years.
3	"(III) As determined by the Sec-
4	retary of Agriculture, the monthly av-
5	erage number of households (as of the
6	last day of each month) that partici-
7	pated in the food stamp program in
8	the State in the then most recently con-
9	cluded 3-month period for which data
10	are available exceeds by at least 15
11	percent the monthly average number of
12	households (as of the last day of each
13	month) in the State that participated
14	in the food stamp program in the cor-
15	responding 3-month period in either of
16	the 2 most recent preceding fiscal
17	years, but only if the Secretary and the
18	Secretary of Agriculture concur in the
19	determination that the State's in-
20	creased caseload was due, in large
21	measure, to economic conditions rather
22	than changes in Federal or State poli-
23	cies related to the food stamp program.
24	"(B) Duration.—A State that qualifies as
25	a needy State—

1	"(i) under subclause (I) or (II) of sub-
2	paragraph (A)(iii), shall be considered a
3	needy State until the State's average rate of
4	total unemployment or the State's insured
5	unemployment rate, respectively, falls below
6	the level attained in the applicable period
7	that was first used to determine that the
8	State qualified as a needy State under that
9	subparagraph (and in the case of the in-
10	sured unemployment rate, without regard to
11	any declines in the rate that are the result
12	of seasonal variation); and
13	"(ii) under subclause (III) of subpara-
14	graph (A)(iii), shall be considered a needy
15	State so long as the State meets the criteria
16	for being considered a needy State under
17	that subparagraph.
18	"(4) Exceptions.—
19	"(A) Unexpended balances.—
20	"(i) In General.—Notwithstanding
21	paragraph (3), a State that has unexpended
22	TANF balances in an amount that exceeds
23	30 percent of the total amount of grants re-
24	ceived by the State under subsection (a) for
25	the most recently completed fiscal year

1	(other than welfare-to-work grants made
2	under paragraph (5) of that subsection
3	prior to fiscal year 2000), shall not be a
4	needy State under this subsection.
5	"(ii) Definition of unexpended
6	TANF BALANCES.—In clause (i), the term
7	'unexpended TANF balances' means the les-
8	sor of—
9	"(I) the total amount of grants
10	made to the State (regardless of the fis-
11	cal year in which such funds were
12	awarded) under subsection (a) (other
13	than welfare-to-work grants made
14	under paragraph (5) of that subsection
15	prior to fiscal year 2000) but not yet
16	expended as of the end of the fiscal
17	year preceding the fiscal year for
18	which the State would, in the absence
19	of this subparagraph, be considered a
20	needy State under this subsection; and
21	"(II) the total amount of grants
22	made to the State under subsection (a)
23	(other than welfare-to-work grants
24	made under paragraph (5) of that sub-
25	section prior to fiscal year 2000) but

1	not yet expended as of the end of such
2	preceding fiscal year, plus the dif-
3	ference between—
4	"(aa) the pro rata share of
5	the current fiscal year grant to be
6	made under subsection (a) to the
7	State; and
8	"(bb) current year expendi-
9	tures of the total amount of grants
10	made to the State under sub-
11	section (a) (regardless of the fiscal
12	year in which such funds were
13	awarded) (other than such wel-
14	fare-to-work grants) through the
15	end of the most recent calendar
16	quarter.
17	"(B) Failure to satisfy maintenance
18	OF $EFFORT$ $REQUIREMENT.$ — $Notwith standing$
19	paragraph (3), a State that fails to satisfy the
20	requirement of section 409(a)(7) with respect to
21	a fiscal year shall not be a needy State under
22	this subsection for that fiscal year.".
23	(c) Clarification of Reporting Requirements.—
24	Paragraph (6) of section 403(b) (42 U.S.C. 603(b)), as re-
25	designated by subsection (b)(2), is amended by striking "on

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1 the status of the Fund" and inserting "on the States that
   qualified for contingency funds and the amount of funding
   awarded under this subsection".
 4
        (d) Elimination of Penalty for Failure To Main-
   TAIN 100 PERCENT MAINTENANCE OF EFFORT.—
 6
             (1) In General.—Section 409(a) (42 U.S.C.
 7
        609(a)) is amended—
 8
                 (A) by striking paragraph (10); and
 9
                 (B) by redesignating paragraphs
                                                      (11)
10
             through (14) as paragraphs (10) through (13),
11
             respectively.
12
             (2) Conforming amendments.—Section 409
13
        (42 U.S.C. 609) is amended—
                 (A) in subsection (a)(7)(B)(i)(III), by strik-
14
15
             ing "(12)" and inserting "(11)";
16
                 (B) in subsection (b)(2), by striking "(10),
17
             (12), or (13)" and inserting "(11), or (12)"; and
18
                 (C) in subsection (c)(4), by striking "(10),
19
             (12), or (13)" and inserting "(11), or (12)".
20
   SEC. 107. USE OF FUNDS.
21
        (a) Treatment of Interstate Immigrants.—Sec-
   tion 404 (42 U.S.C. 604) is amended by striking subsection
23
   (c).
24
        (b) Restoration of Authority To Transfer Up
25 to 10 Percent of TANF Funds to the Social Serv-
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1	ICES BLOCK GRANT.—Section 404(d)(2) (42 U.S.C.	
2	604(d)(2)) is amended to read as follows:	
3	"(2) Limitation on amount transferable to	
4	TITLE XX PROGRAMS.—A State may use not more	
5	than 10 percent of the amount of any grant made to	
6	the State under section 403(a) for a fiscal year to	
7	carry out State programs pursuant to title XX.".	
8	(c) Clarification of Authority of States To Use	
9	TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO	
10	$Provide\ TANF\ Benefits\ and\ Services Section\ 404 (e)$	
11	(42 U.S.C. 604(e)) is amended to read as follows:	
12	"(e) Authority To Carryover or Reserve Cer-	
13	TAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FU-	
14	Ture Contingencies.—	
15	"(1) Carryover.—A State or tribe may use a	
16	grant made to the State or tribe under this part for	
17	any fiscal year to provide, without fiscal year limita-	
18	tion, any benefit or service that may be provided	
19	under the State or tribal program funded under this	
20	part.	
21	"(2) Contingency reserve.—A State or tribe	
22	may designate any portion of a grant made to the	
23	State or tribe under this part as a contingency re-	
24	serve for future needs, and may use any amount so	
25	designated to provide, without fiscal year limitation,	

1	any benefit or service that may be provided under the
2	State or tribal program funded under this part. If a
3	State or tribe so designates a portion of such a grant,
4	the State or tribe shall include in its report under
5	section 411(a) the amount so designated.".
6	(d) State Option To Establish Undergraduate
7	Postsecondary or Vocational Educational Pro-
8	GRAM.—
9	(1) In General.—Section 404 (42 U.S.C. 604)
10	is amended by adding at the end the following:
11	"(l) Authority To Establish Undergraduate
12	Postsecondary or Vocational Educational Pro-
13	GRAM.—
14	"(1) In General.—Subject to the succeeding
15	paragraphs of this subsection, a State to which a
16	grant is made under section 403 may use the grant
17	to establish a program under which an eligible partic-
18	ipant (as defined in paragraph (5)) may be provided
19	support services described in paragraph (7) and, sub-
20	ject to paragraph (8), may have hours of participa-
21	tion in such program counted as being engaged in
22	work for purposes of determining monthly participa-
23	tion rates under section $407(b)(1)(B)(i)$.
24	"(2) State plan requirement.—In order to
25	establish a program under this subsection, a State

1	shall describe (in an addendum to the State plan sub-
2	mitted under section 402) the applicable eligibility
3	criteria that is designed to limit participation in the
4	program to only those individuals—
5	"(A) whose past earnings indicate that the
6	individuals cannot qualify for employment that
7	pays enough to allow them to obtain self-suffi-
8	ciency (as determined by the State); and
9	"(B) for whom enrollment in the program
10	will prepare the individuals for higher-paying
11	occupations in demand in the State.
12	"(3) Limitation on enrollment.—The number
13	of eligible participants in a program established
14	under this subsection may not exceed 10 percent of the
15	total number of families receiving assistance under
16	the State program funded under this part.
17	"(4) No federal funds for tuition.—A State
18	may not use Federal funds provided under a grant
19	made under section 403 to pay tuition for an eligible
20	participant.
21	"(5) Definition of eligible participant.—In
22	this subsection, the term 'eligible participant' means
23	an individual who receives assistance under the State
24	program funded under this part and satisfies the fol-
25	lowing requirements:

1	"(i) The individual is enrolled in a
2	postsecondary 2- or 4-year degree program
3	or in a vocational educational training pro-
4	gram.
5	"(ii) During the period the individual
6	participates in the program, the individual
7	maintains satisfactory academic progress,
8	as defined by the institution operating the
9	undergraduate postsecondary or vocational
10	educational program in which the indi-
11	vidual is enrolled.
12	"(6) Required time periods for completion
13	OF DEGREE OR VOCATIONAL EDUCATIONAL TRAINING
14	PROGRAM.—
15	"(A) In General.—Subject to subpara-
16	graph (B), an eligible participant participating
17	in a program established under this subsection
18	shall be required to complete the requirements of
19	a degree or vocational educational training pro-
20	gram within the normal timeframe for full-time
21	students seeking the particular degree or com-
22	pleting the vocational educational training pro-
23	gram.
24	"(B) Exception.—For good cause, the
25	State may allow an eliaible participant to com-

1	plete their degree requirements or vocational edu-
2	cational training program within a period not
3	to exceed 1½ times the normal timeframe estab-
4	lished under subparagraph (A) (unless further
5	modification is required by the Americans with
6	Disabilities Act of 1990 (42 U.S.C. 12101 et
7	seq.), or section 504 of the Rehabilitation Act of
8	1973 (29 U.S.C. 794)) and may modify the re-
9	quirements applicable to an individual partici-
10	pating in the program. For purposes of the pre-
11	ceding sentence, good cause includes the case of
12	an eligible participant with 1 or more signifi-
13	cant barriers to normal participation, as deter-
14	mined by the State, such as the need to care for
15	a family member with special needs.
16	"(7) Support services described.—For pur-
17	poses of paragraph (1), the support services described
18	in this paragraph include any or all of the following
19	during the period the eligible participant is in the
20	program established under this subsection:
21	"(A) Child care.
22	"(B) Transportation services.
23	"(C) Payment for books and supplies.
24	"(D) Other services provided under policies
25	determined by the State to ensure coordination

1	and lack of duplication with other programs
2	available to provide support services.
3	"(8) Rules for inclusion in monthly work
4	PARTICIPATION RATES.—
5	"(A) Families counted as participating
6	IF THEY MEET THE REQUIREMENTS OF SUB-
7	PARAGRAPHS (B) OR (C).—For each eligible par-
8	ticipant, a State may elect, for purposes of deter-
9	mining monthly participation rates under sec-
10	tion $407(b)(1)(B)(i)$, to include such participant
11	in the determination of such rates in accordance
12	with subparagraph (B) or (C).
13	"(B) Full or partial credit for hours
14	OF PARTICIPATION IN EDUCATIONAL OR RELATED
15	ACTIVITIES.—
16	"(i) In general.—Subject to clause
17	(iv), an eligible participant who partici-
18	pates in educational or related activities (as
19	determined by the State) under a program
20	established under this subsection shall be
21	given credit for the number of hours of such
22	participation to the extent that an adult re-
23	cipient or minor child head of household
24	would be given credit under section 407(c)
25	for being engaged in the same number of

1	hours of work activities described in para-
2	graph (1), (2), (3), (4), (5), (6), (7), (8), or
3	(12) of section $407(d)$.
4	"(ii) Related activities.—For pur-
5	poses of clause (i), related activities shall
6	include—
7	"(I) work activities described in
8	paragraph (1), (2), (3), (4), (5), (6),
9	(7), (8), or (12) of section 407(d);
10	"(II) work study, practicums, in-
11	ternships, clinical placements, labora-
12	tory or field work, or such other activi-
13	ties as will enhance the eligible partici-
14	pant's employability in the partici-
15	pant's field of study, as determined by
16	the State; or
17	"(III) subject to clause (iii), study
18	time.
19	"(iii) Limitation on inclusion of
20	STUDY TIME.—For purposes of determining
21	hours per week of participation by an eligi-
22	ble participant under a program established
23	under this subsection, a State may not
24	count study time of less than 1 hour for

1	every hour of class time or more than 2
2	hours for every hour of class time.
3	"(iv) Total number of hours lim-
4	ITED TO BEING COUNTED AS 1 FAMILY.—In
5	no event may hours per week of participa-
6	tion by an eligible participant under a pro-
7	gram established under this subsection be
8	counted as more than 1 family for purposes
9	of determining monthly participation rates
10	under section $407(b)(1)(B)(i)$.
11	"(C) Full credit for being engaged in
12	DIRECT WORK ACTIVITIES FOR CERTAIN HOURS
13	PER WEEK.—
14	"(i) In general.—A family that in-
15	cludes an eligible participant who, in addi-
16	tion to complying with the full-time edu-
17	cational participation requirements of the
18	degree or vocational educational training
19	program they are enrolled in, participates
20	in an activity described in subclause (I),
21	(II), or (III) of subparagraph (B)(ii) for
22	not less than the number of hours required
23	per week under clause (ii) shall be counted
24	as 1 family.

1	"(ii) Required hours per week.—
2	For purposes of clause (i), subject to clause
3	(iii), the number of hours per week are—
4	"(I) 6 hours per week during the
5	first 12-month period that an eligible
6	participant participates in a program
7	established under this subsection;
8	"(II) 8 hours per week during the
9	second 12-month period of such par-
10	ticipation;
11	"(II) 10 hours per week during
12	the third 12-month period of such par-
13	ticipation; and
14	"(II) 12 hours per week during
15	the fourth or any other succeeding 12-
16	month period of such participation.
17	"(iii) Modification of require-
18	MENTS FOR GOOD CAUSE.—A State may
19	modify the number of hours per week re-
20	quired under clause (ii) for good cause. For
21	purposes of the preceding sentence, good
22	cause includes the case of an eligible partic-
23	ipant with 1 or more significant barriers to
24	normal participation, as determined by the

1	State, such as the need to care for a family
2	member with special needs.".
3	(2) Conforming Amendment.—Section
4	407(d)(8) (42 U.S.C. 607(d)(8)) is amended by insert-
5	ing "other than an individual participating in a pro-
6	gram established under section 404(l)" after "indi-
7	vidual".
8	SEC. 108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE
9	PROGRAMS.
10	(a) Repeal.—Section 406 (42 U.S.C. 606) is repealed.
11	(b) Conforming Amendments.—
12	(1) Section 409 (42 U.S.C. 609), as amended by
13	section $106(d)(2)$, is amended—
14	(A) in subsection (a), by striking paragraph
15	(6);
16	(B) in subsection (b)(2), by striking "(6),";
17	and
18	(C) in subsection $(c)(4)$, by striking " (6) ,".
19	(2) Section 412 (42 U.S.C. 612) is amended by
20	striking subsection (f) and redesignating subsections
21	(g) through (i) as subsections (f) through (h), respec-
22	tively.
23	(3) Section $1108(a)(2)$ (42 U.S.C. $1308(a)(2)$) is
24	amended by striking "406,".

1 SEC. 109. WORK PARTICIPATION REQUIREMENTS. 2 (a) Elimination of Separate Work Participation RATE FOR 2-PARENT FAMILIES BEGINNING WITH FISCAL 4 YEAR 2003.— 5 (1) In General.—Section 407 (42 U.S.C. 607) is amended— 6 7 (A) in subsection (a)— 8 (i) in the heading, by striking "PAR-9 TICIPATION RATE REQUIREMENTS" and all that follows through "A State" and insert-10 11 "Participation Rate ingRequire-12 MENTS.—A State"; and 13 (ii) by striking paragraph (2); 14 (B) in subsection (b)— 15 (i) by striking paragraph (2); 16 (ii) in paragraph (4), by striking "paragraphs (1)(B) and (2)(B)" and insert-17 18 ing "determining monthly participation 19 rates under paragraph (1)(B)"; and 20 (iii) in paragraph (5), by striking "rates" and inserting "rate"; and 21 22 (C) in subsection (c)— 23 (i) in paragraph (1)— 24 (I)bustriking "GENERAL RULES.—" and all that follows through 25

"For purposes" in subparagraph (A)

1	and inserting "GENERAL RULE.—For
2	purposes"; and
3	(II) by striking subparagraph
4	(B); and
5	(ii) in paragraph (2)(D)—
6	(I) by striking "paragraphs
7	(1)(B)(i) and $(2)(B)$ of subsection (b) "
8	and inserting "subsection
9	(b)(1)(B)(i)"; and
10	(II) by striking "and in 2-parent
11	families, respectively,".
12	(2) Effective date.—The amendments made
13	by paragraph (1) shall take effect as if enacted on Oc-
14	tober 1, 2002.
15	(b) Minimum Participation Rates.—Section 407(a)
16	(42 U.S.C. 607(a)), as amended by subsection $(a)(1)(A)$, is
17	amended to read as follows:
18	"(a) Participation Rate Requirements.—
19	"(1) In general.—A State to which a grant is
20	made under section 403 for a fiscal year shall achieve
21	a minimum participation rate with respect to all
22	families receiving assistance under the State program
23	funded under this part that is equal to not less
24	than—
25	"(A) 50 percent for fiscal year 2004;

1	"(B) 55 percent for fiscal year 2005;
2	"(C) 60 percent for fiscal year 2006;
3	"(D) 65 percent for fiscal year 2007; and
4	"(E) 70 percent for fiscal year 2008 and
5	each succeeding fiscal year.".
6	(c) Limitation on Reduction of Participation
7	RATE THROUGH APPLICATION OF CREDITS.—Section
8	407(a) (42 U.S.C. 607(b)), as amended by subsection (b),
9	is amended by adding at the end the following:
10	"(2) Limitation on reduction of participa-
11	TION RATE THROUGH APPLICATION OF CREDITS.—
12	Notwithstanding any other provision of this part, the
13	net effect of any percentage reduction in the min-
14	imum participation rate otherwise required under
15	this section with respect to families receiving assist-
16	ance under the State program funded under this part
17	as a result of the application of any employment
18	credit, caseload reduction credit, or other credit
19	against such rate for a fiscal year, shall not exceed—
20	"(A) 40 percentage points, in the case of fis-
21	cal year 2004;
22	"(B) 35 percentage points, in the case of fis-
23	cal year 2005;
24	"(C) 30 percentage points, in the case of fis-
25	cal year 2006;

1	"(D) 25 percentage points, in the case of fis-
2	cal year 2007; or
3	"(E) 20 percentage points, in the case of fis-
4	cal year 2008 or any fiscal year thereafter.".
5	(d) Replacement of Caseload Reduction Credit
6	With Employment Credit.—
7	(1) Employment credit to reward states in
8	WHICH FAMILIES LEAVE WELFARE FOR WORK; ADDI-
9	TIONAL CREDIT FOR FAMILIES WITH HIGHER EARN-
10	INGS.—
11	(A) In General.—Section 407(b) (42
12	U.S.C. 607(b)), as amended by subsection
13	(a)(1)(B)(i), is amended by inserting after para-
14	graph (1) the following:
15	"(2) Employment credit.—
16	"(A) In General.—Subject to subsection
17	(a)(2), the Secretary shall, by regulation, reduce
18	the minimum participation rate otherwise appli-
19	cable to a State under this subsection for a fiscal
20	year by the number of percentage points in the
21	employment credit for the State for the fiscal
22	year, as determined by the Secretary—
23	"(i) using information in the National
24	Directory of New Hires;

1	"(ii) with respect to a recipient of as-
2	sistance or former recipient of assistance
3	under the State program funded under this
4	part who is placed with an employer whose
5	hiring information is not reported to the
6	National Directory of New Hires, using
7	quarterly wage information submitted by
8	the State to the Secretary not later than
9	such date as the Secretary shall prescribe in
10	regulations; or
11	"(iii) with respect to families described
12	in subclause (II) or (III) of subparagraph
13	(B)(ii), using such other data as the Sec-
14	retary may require in order to determine
15	the employment credit for a State under
16	this paragraph.
17	"(B) Calculation of credit.—
18	"(i) In General.—The employment
19	credit for a State for a fiscal year is an
20	amount equal to the sum of the amounts de-
21	termined under clause (ii), divided by the
22	amount determined under clause (iii).
23	"(ii) Numerator.—For purposes of
24	clause (i), the amounts determined under
25	this clause are the followina:

1	"(I) Twice the quarterly average
2	unduplicated number of families that
3	include an adult or minor child head
4	of household recipient of assistance
5	under the State program funded under
6	this part, that ceased to receive such
7	assistance for at least 2 consecutive
8	months following the date of the case
9	closure for the family during the appli-
10	cable period (as defined in clause (v)),
11	that did not receive assistance under a
12	separate State-funded program during
13	such 2-month period, and that were
14	employed during the calendar quarter
15	immediately succeeding the quarter in
16	which the assistance under the State
17	program funded under this part
18	ceased.
19	"(II) At the option of the State,
20	twice the quarterly average number of
21	families that received a nonrecurring
22	short-term benefit under the State pro-
23	gram funded under this part during
24	the applicable period (as so defined),

that were employed during the cal-

1	endar quarter immediately succeeding
2	the quarter in which the nonrecurring
3	short-term benefit was so received, and
4	that earned at least \$1,000 during the
5	applicable period (as so defined).
6	"(III) At the option of the State,
7	twice the quarterly average number of
8	families that includes an adult who is
9	receiving substantial child care or
10	transportation assistance (as defined
11	by the Secretary, in consultation with
12	directors of State programs funded
13	under this part, which definition shall
14	specify for each type of assistance a
15	threshold which is a dollar value or a
16	length of time over which the assistance
17	is received, and which takes account of
18	large one-time transition payments))
19	during the applicable period (as so de-
20	fined).
21	"(iii) Denominator.—For purposes of
22	clause (i), the amount determined under
23	this clause is the amount equal to the sum
24	of the following:

1	"(I) The average monthly number
2	of families that include an adult or
3	minor child head of household who re-
4	ceived assistance under the State pro-
5	gram funded under this part during
6	the applicable period (as defined under
7	clause (v)).
8	"(II) If the State elected the op-
9	tion under clause (ii)(II), twice the
10	quarterly average number of families
11	that received a nonrecurring short-term
12	benefit under the State program funded
13	under this part during the applicable
14	period (as so defined).
15	"(III) If the State elected the op-
16	tion under clause (ii)(III), twice the
17	quarterly average number of families
18	that includes an adult who is receiving
19	substantial child care or transpor-
20	tation assistance during the applicable
21	period (as so defined).
22	"(iv) Special rule for former re-
23	cipients with higher earnings.—In cal-
24	culating the employment credit for a State
25	for a fiscal year, in the case of a family

1	that includes an adult or a minor child
2	head of household that is to be included in
3	the amount determined under clause $(ii)(I)$
4	and that, with respect to the quarter in
5	which the family's earnings was examined
6	during the applicable period, earned at
7	least 33 percent of the average quarterly
8	earnings in the State (determined on the
9	basis of State unemployment data), the
10	family shall be considered to be 1.5 families.
11	"(v) Definition of Applicable pe-
12	RIOD.—For purposes of this paragraph, the
13	term 'applicable period' means, with respect
14	to a fiscal year, the most recent 4 quarters
15	for which data are available to the Sec-
16	retary providing information on the work
17	status of—
18	"(I) individuals in the quarter
19	after the individuals ceased receiving
20	assistance under the State program
21	funded under this part;
22	"(II) at State option, individuals
23	in the quarter after the individuals re-
24	ceived a short-term, nonrecurring ben-
25	efit; and

1	"(III) at State option, individuals
2	in the quarter after the individuals
3	ceased receiving substantial child care
4	or transportation assistance.
5	"(C) Notification to state.—Not later
6	than August 30 of each fiscal year, the Secretary
7	shall—
8	"(i) determine, on the basis of the ap-
9	plicable period, the amount of the employ-
10	ment credit that will be used in deter-
11	mining the minimum participation rate for
12	a State under subsection (a) for the imme-
13	diately succeeding fiscal year; and
14	"(ii) notify each State conducting a
15	State program funded under this part of the
16	amount of the employment credit for such
17	program for the succeeding fiscal year.".
18	(B) Authority of Secretary to use in-
19	FORMATION IN NATIONAL DIRECTORY OF NEW
20	HIRES.—Section $453(i)$ $(42$ U.S.C. $653(i))$ is
21	amended by adding at the end the following:
22	"(5) Calculation of employment credit for
23	PURPOSES OF DETERMINING STATE WORK PARTICIPA-
24	TION RATES UNDER TANF.—The Secretary may use
25	the information in the National Directory of New

- Hires for purposes of calculating State employment
 credits pursuant to section 407(b)(2).".
 - (2) ELIMINATION OF CASELOAD REDUCTION

 CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is

 amended by striking paragraph (3) and redesignating

 paragraphs (4) and (5) as paragraphs (3) and (4),

 respectively.

(3) Effective dates.—

- (A) In General.—Except as provided in subparagraphs (B) and (C), the amendments made by this subsection shall take effect on October 1, 2005.
- (B) STATE OPTION TO PHASE-IN REPLACEMENT OF CASELOAD REDUCTION CREDIT WITH
 EMPLOYMENT CREDIT AND DELAY APPLICABILITY
 OF OTHER PROVISIONS.—A State may elect to
 have the amendments made by this subsection
 not apply to the State program funded under
 part A of title IV of the Social Security Act until
 October 1, 2006, and if the State makes the election, then, in determining the participation rate
 of the State for purposes of section 407 of the Social Security Act for fiscal year 2006, the State
 shall be credited with ½ of the reduction in the
 rate that would otherwise result from applying

1	section 407(b)(2) of the Social Security Act (as	
2	added by paragraph (1)(A)) to the State for fis-	
3	cal year 2006 and $^{1}\!/_{2}$ of the reduction in the rate	
4	that would otherwise result from applying sec-	
5	tion 407(b)(3) of the Social Security Act (as in	
6	effect with respect to fiscal year 2003) to the	
7	State for fiscal year 2006.	
8	(C) Authority to use information in	
9	THE NATIONAL DIRECTORY OF NEW HIRES.—The	
10	amendment made by paragraph (1)(B) shall take	
11	effect on October 1, 2003.	
12	(e) State Options for Participation Require-	
13	MENT EXEMPTIONS.—Section 407(b)(4) (42 U.S.C.	
14	607(b)(4)), as amended by subsection (a)(1)(B)(iii) and re-	
15	designated by subsection $(d)(2)$, is amended to read as fol-	
16	lows:	
17	"(4) State options for participation re-	
18	Quirement exemptions.—At the option of a State,	
19	a State may, on a case-by-case basis—	
20	"(A) not include a family in the determina-	
21	tion of the monthly participation rate for the	
22	State in the first month for which the family re-	
23	ceives assistance from the State program funded	
24	under this part on the basis of the most recent	
25	application for such assistance; or	

1	"(B) not require a family in which the
2	youngest child has not attained 12 months of age
3	to engage in work, and may disregard that fam-
4	ily in determining the minimum participation
5	rate under subsection (a) for the State for not
6	more than 12 months.".
7	(f) Determination of Countable Hours Engaged
8	IN WORK.—
9	(1) In General.—Section 407(c) (42 U.S.C.
10	607(c)) is amended to read as follows:
11	"(c) Determination of Countable Hours En-
12	GAGED IN WORK.—
13	"(1) Single parent or relative with a
14	CHILD OVER AGE 6.—
15	"(A) Minimum average number of
16	Hours per week.—Subject to the succeeding
17	paragraphs of this subsection, a family in which
18	an adult recipient or minor child head of house-
19	hold in the family is participating in work ac-
20	tivities described in subsection (d) shall be treat-
21	ed as engaged in work for purposes of deter-
22	mining monthly participation rates under sub-
23	section $(b)(1)(B)(i)$ as follows:
24	"(i) In the case of a family in which
25	the total number of hours in which any

1	adult recipient or minor child head of
2	household in the family is participating in
3	such work activities for an average of at
4	least 20, but less than 24, hours per week in
5	a month, as 0.675 of a family.
6	"(ii) In the case of a family in which
7	the total number of hours in which any
8	adult recipient or minor child head of
9	household in the family is participating in
10	such work activities for an average of at
11	least 24, but less than 30, hours per week in
12	a month, as 0.75 of a family.
13	"(iii) In the case of a family in which
14	the total number of hours in which any
15	adult recipient or minor child head of
16	household in the family is participating in
17	such work activities for an average of at
18	least 30, but less than 34, hours per week in
19	a month, as 0.875 of a family.
20	"(iv) In the case of a family in which
21	the total number of hours in which any
22	adult recipient or minor child head of
23	household in the family is participating in

such work activities for an average of at

1	least 34, but less than 35, hours per week in
2	a month, as 1 family.
3	"(v) In the case of a family in which
4	the total number of hours in which any
5	adult recipient or minor child head of
6	household in the family is participating in
7	such work activities for an average of at
8	least 35, but less than 38, hours per week in
9	a month, as 1.05 families.
10	"(vi) In the case of a family in which
11	the total number of hours in which any
12	adult recipient or minor child head of
13	household in the family is participating in
14	such work activities for an average of at
15	least 38 hours per week in a month, as 1.08
16	families.
17	"(B) Direct work activities required
18	FOR AN AVERAGE OF 24 HOURS PER WEEK.—Ex-
19	cept as provided in subparagraph (C)(i), a State
20	may not count any hours of participation in
21	work activities specified in paragraph (9), (10),
22	or (11) of subsection (d) of any adult recipient
23	or minor child head of household in a family be-
24	fore the total number of hours of participation

by any adult recipient or minor child head of

1	household in the family in work activities de-
2	scribed in paragraph (1), (2), (3), (4), (5), (6),
3	(7), (8), or (12) of subsection (d) for the family
4	for the month averages at least 24 hours per
5	week.
6	"(C) State flexibility to count par-
7	TICIPATION IN CERTAIN ACTIVITIES.—
8	"(i) Qualified activities for 3-
9	MONTHS IN ANY 24-MONTH PERIOD.—
10	"(I) 24-HOURS PER WEEK RE-
11	QUIRED.—Subject to subclauses (III)
12	and (IV), for purposes of determining
13	hours under subparagraph (A), a State
14	may count the total number of hours
15	any adult recipient or minor child
16	head of household in a family engages
17	in qualified activities described in sub-
18	clause (II) as a work activity described
19	in subsection (d), without regard to
20	whether the recipient has satisfied the
21	requirement of subparagraph (B), but
22	only if—
23	"(aa) the total number of
24	hours of participation in such
25	qualified activities for the family

1	for the month average at least 24
2	hours per week; and
3	"(bb) engaging in such quali-
4	fied activities is a requirement of
5	the family self-sufficiency plan.
6	"(II) Qualified activities de-
7	SCRIBED.—For purposes of subclause
8	(I), qualified activities described in
9	this subclause are any of the following:
10	"(aa) Postsecondary edu-
11	cation.
12	"(bb) Adult literacy pro-
13	grams or activities.
14	"(cc) Substance abuse coun-
15	seling or treatment.
16	"(dd) Programs or activities
17	designed to remove barriers to
18	work, as defined by the State.
19	"(ee) Work activities author-
20	ized under any waiver for any
21	State that was continued under
22	section 415 before the date of en-
23	actment of the Personal Responsi-
24	bility and Individual Develop-
25	ment for Everyone Act.

1	"(III) Limitation.—Except as
2	provided in clause (ii), subclause (I)
3	shall not apply to a family for more
4	than 3 months in any period of 24
5	$consecutive\ months.$
6	"(IV) CERTAIN ACTIVITIES.—The
7	Secretary may allow a State to count
8	the total hours of participation in
9	qualified activities described in sub-
10	clause (II) for an adult recipient or
11	minor child head of household without
12	regard to the minimum 24 hour aver-
13	age per week of participation require-
14	ment under subclause (I) if the State
15	has demonstrated conclusively that
16	such activity is part of a substantial
17	and supervised program whose effec-
18	tiveness in moving families to self-suf-
19	ficiency is superior to any alternative
20	activity and the effectiveness of the
21	program in moving families to self-suf-
22	ficiency would be substantially im-
23	paired if participating individuals
24	participated in additional, concurrent
25	qualified activities that enabled the in-

1	dividuals to achieve an average of at
2	least 24 hours per week of participa-
3	tion.
4	"(ii) Additional 3-month period
5	PERMITTED FOR CERTAIN ACTIVITIES.—
6	"(I) Self-sufficiency plan re-
7	QUIREMENT COMBINED WITH MINIMUM
8	Number of hours.—A State may ex-
9	tend the 3-month period under clause
10	(i) for an additional 3 months in the
11	same period of 24 consecutive months
12	in the case of an adult recipient or
13	minor child head of household who is
14	receiving qualified rehabilitative serv-
15	ices described in subclause (II) if—
16	"(aa) the total number of
17	hours that the adult recipient or
18	minor child head of household en-
19	gages in such qualified rehabilita-
20	tive services and, subject to sub-
21	clause (III), a work activity de-
22	scribed in paragraph (1), (2), (3),
23	(4), (5), (6), (7), (8), or (12) of
24	subsection (d) for the month aver-

1	age at least 24 hours per week;
2	and
3	"(bb) engaging in such quali-
4	fied rehabilitative services is a re-
5	quirement of the family self-suffi-
6	ciency plan.
7	"(II) Qualified rehabilitative
8	SERVICES DESCRIBED.—For purposes
9	of subclause (I), qualified rehabilitative
10	services described in this subclause are
11	any of the following:
12	"(aa) Adult literacy pro-
13	grams or activities.
14	"(bb) Participation in a pro-
15	gram designed to increase pro-
16	ficiency in the English language.
17	"(cc) In the case of an adult
18	recipient or minor child head of
19	household who has been certified
20	by a qualified medical, mental
21	health, or social services profes-
22	sional (as defined by the State) as
23	having a physical or mental dis-
24	ability, substance abuse problem,
25	or other problem that requires a

1	rehabilitative service, substance
2	abuse treatment, or mental health
3	treatment, the service or treatment
4	determined necessary by the pro-
5	fessional.
6	"(III) Nonapplication of limi-
7	TATIONS ON JOB SEARCH AND VOCA-
8	TIONAL EDUCATIONAL TRAINING.—An
9	adult recipient or minor child head of
10	household who is receiving qualified re-
11	habilitative services described in sub-
12	clause (II) may engage in a work ac-
13	tivity described in paragraph (6) or
14	(8) of subsection (d) for purposes of
15	satisfying the minimum 24 hour aver-
16	age per week of participation require-
17	ment under subclause (I)(aa) without
18	regard to any limit that otherwise ap-
19	plies to the activity (including the 30
20	percent limitation on participation in
21	vocational educational training under
22	paragraph (6)(C)).
23	"(iii) Hours in excess of an aver-
24	AGE OF 24 WORK ACTIVITY HOURS PER
25	WEEK.—If the total number of hours that

1	any adult recipient or minor child head of
2	household in a family has participated in a
3	work activity described in paragraph (1),
4	(2), (3), (4), (5), (6), (7), (8), or (12) of
5	subsection (d) averages at least 24 hours per
6	week in a month, a State, for purposes of
7	determining hours under subparagraph (A),
8	may count any hours an adult recipient or
9	minor child head of household in the family
10	engages in—
11	"(I) any work activity described
12	in subsection (d), without regard to
13	any limit that otherwise applies to the
14	activity (including the 30 percent limi-
15	tation on participation in vocational
16	educational training under paragraph
17	(6)(C); and
18	"(II) any qualified activity de-
19	scribed in clause (i)(II), as a work ac-
20	tivity described in subsection (d).
21	"(2) Single parent or relative with a
22	CHILD UNDER AGE 6.—
23	"(A) In general.—A family in which an
24	adult recipient or minor child head of household
25	in the family is the only parent or caretaker rel-

1	ative in the family of a child who has not at-
2	tained 6 years of age and who is participating
3	in work activities described in subsection (d)
4	shall be treated as engaged in work for purposes
5	of determining monthly participation rates
6	under subsection $(b)(1)(B)(i)$ as follows:
7	"(i) In the case of such a family in
8	which the total number of hours in which
9	the adult recipient or minor child head of
10	household in the family is participating in
11	such work activities for an average of at
12	least 20, but less than 24, hours per week in
13	a month, as 0.675 of a family.
14	"(ii) In the case of such a family in
15	which the total number of hours in which
16	the adult recipient or minor child head of
17	household in the family is participating in
18	such work activities for an average of at
19	least 24, but less than 35, hours per week in
20	a month, as 1 family.
21	"(iii) In the case of such a family in
22	which the total number of hours in which
23	the adult recipient or minor child head of
24	household in the family is participating in

such work activities for an average of at

1	least 35, but less than 38, hours per week in
2	a month, as 1.05 families.
3	"(iv) In the case of such a family in
4	which the total number of hours in which
5	the adult recipient or minor child head of
6	household in the family is participating in
7	such work activities for an average of at
8	least 38 hours per week in a month, as 1.08
9	families.
10	"(B) Application of rules regarding
11	DIRECT WORK ACTIVITIES AND STATE FLEXI-
12	BILITY TO COUNT PARTICIPATION IN CERTAIN AC-
13	TIVITIES.—Subparagraphs (B) and (C) of para-
14	graph (1) apply to a family described in sub-
15	paragraph (A) in the same manner as such sub-
16	paragraphs apply to a family described in para-
17	$graph\ (1)(A).$
18	"(3) 2-PARENT FAMILIES.—
19	"(A) In general.—Subject to paragraph
20	(6)(A), a 2-parent family in which an adult re-
21	cipient or minor child head of household in the
22	family is participating in work activities de-
23	scribed in subsection (d) shall be treated as en-

gaged in work for purposes of determining

1	monthly participation rates under subsection
2	(b)(1)(B)(i) as follows:
3	"(i) In the case of such a family in
4	which the total number of hours in which
5	any adult recipient or minor child head of
6	household in the family is participating in
7	such work activities for an average of at
8	least 26, but less than 30, hours per week in
9	a month, as 0.675 of a family.
10	"(ii) In the case of such a family in
11	which the total number of hours in which
12	any adult recipient or minor child head of
13	household in the family is participating in
14	such work activities for an average of at
15	least 30, but less than 35, hours per week in
16	a month, as 0.75 of a family.
17	"(iii) In the case of such a family in
18	which the total number of hours in which
19	any adult recipient or minor child head of
20	household in the family is participating in
21	such work activities for an average of at
22	least 35, but less than 39, hours per week in
23	a month, as 0.875 of a family.
24	"(iv) In the case of such a family in
25	which the total number of hours in which

1	any adult recipient or minor child head of
2	household in the family is participating in
3	such work activities for an average of at
4	least 39, but less than 40, hours per week in
5	a month, as 1 family.
6	"(v) In the case of such a family in
7	which the total number of hours in which
8	any adult recipient or minor child head of
9	household in the family is participating in
10	such work activities for an average of at
11	least 40, but less than 43, hours per week in
12	a month, as 1.05 families.
13	"(vi) In the case of such a family in
14	which the total number of hours in which
15	any adult recipient or minor child head of
16	household in the family is participating in
17	such work activities for an average of at
18	least 43 hours per week in a month, as 1.08
19	families.
20	"(B) Application of rules regarding
21	DIRECT WORK ACTIVITIES AND STATE FLEXI-
22	BILITY TO COUNT PARTICIPATION IN CERTAIN AC-
23	TIVITIES.—Subparagraphs (B) and (C) of para-
24	graph (1) apply to a 2-parent family described

 $in \ subparagraph \ (A) \ in \ the \ same \ manner \ as$

1	such subparagraphs apply to a family described
2	in paragraph (1)(A), except that subparagraph
3	(B) of paragraph (1) shall be applied to a such
4	a 2-parent family by substituting '34' for '24'
5	each place it appears.
6	"(4) 2-PARENT FAMILIES THAT RECEIVE FEDER-
7	ALLY FUNDED CHILD CARE.—
8	"(A) In general.—Subject to paragraph
9	(6)(A), if a 2-parent family receives federally
10	funded child care assistance, an adult recipient
11	or minor child head of household in the family
12	participating in work activities described in sub-
13	section (d) shall be treated as engaged in work
14	for purposes of determining monthly participa-
15	tion rates under subsection $(b)(1)(B)(i)$ as fol-
16	lows:
17	"(i) In the case of such a family in
18	which the total number of hours in which
19	any adult recipient or minor child head of
20	household in the family is participating in
21	such work activities for an average of at
22	least 40, but less than 45, hours per week in
23	a month, as 0.675 of a family.
24	"(ii) In the case of such a family in
25	which the total number of hours in which

1	any adult recipient or minor child head of
2	household in the family is participating in
3	
	such work activities for an average of at
4	least 45, but less than 51, hours per week in
5	a month, as 0.75 of a family.
6	"(iii) In the case of such a family in
7	which the total number of hours in which
8	any adult recipient or minor child head of
9	household in the family is participating in
10	such work activities for an average of at
11	least 51, but less than 55, hours per week in
12	a month, as 0.875 of a family.
13	"(iv) In the case of such a family in
14	which the total number of hours in which
15	any adult recipient or minor child head of
16	household in the family is participating in
17	such work activities for an average of at
18	least 55, but less than 56, hours per week in
19	a month, as 1 family.
20	"(v) In the case of such a family in
21	which the total number of hours in which
22	any adult recipient or minor child head of
23	household in the family is participating in
24	such work activities for an average of at

1	least 56, but less than 59, hours per week in
2	a month, as 1.05 families.
3	"(vi) In the case of such a family in
4	which the total number of hours in which
5	any adult recipient or minor child head of
6	household in the family is participating in
7	such work activities for an average of at
8	least 59 hours per week in a month, as 1.08
9	families.
10	"(B) Application of rules regarding
11	DIRECT WORK ACTIVITIES AND STATE FLEXI-
12	BILITY TO COUNT PARTICIPATION IN CERTAIN AC-
13	TIVITIES.—Subparagraphs (B) and (C) of para-
14	graph (1) apply to a 2-parent family described
15	in subparagraph (A) in the same manner as
16	such subparagraphs apply to a family described
17	$in\ paragraph\ (1)(A),\ except\ that\ subparagraph$
18	(B) of paragraph (1) shall be applied to a such
19	a 2-parent family by substituting '50' for '24'
20	each place it appears.
21	"(5) Calculation of hours per week.—The
22	number of hours per week that a family is engaged
23	in work is the quotient of—
24	"(A) the total number of hours per month
25	that the family is engaged in work; divided by

"(B) 4.
"(6) Special rules.—
"(A) Family with a disabled parent
NOT TREATED AS A 2-PARENT FAMILY.—A family
that includes a disabled parent shall not be con-
sidered a 2-parent family for purposes of para-
graph (3) or (4).
"(B) Number of weeks for which job
SEARCH COUNTS AS WORK.—An individual shall
not be considered to be engaged in work for a
month by virtue of participation in an activity
described in subsection $(d)(6)$ of a State program
funded under this part, after the individual has
participated in such an activity for 6 weeks (or,
if the unemployment rate of the State is at least
50 percent greater than the unemployment rate
of the United States, or the State meets the cri-
teria of subclause (I), (II), or (III) of section
403(b)(3)(A)(iii) or satisfies the applicable dura-
tion requirement of section $403(b)(3)(B)$), 12
weeks).
"(C) Single teen head of household
OR MARRIED TEEN WHO MAINTAINS SATISFAC-
TORY SCHOOL ATTENDANCE DEEMED TO COUNT

AS 1 FAMILY.—For purposes of determining

1	hours under the preceding paragraphs of this
2	subsection, with respect to a month, a State shall
3	count a recipient who is married or a head of
4	household and who has not attained 20 years of
5	age as 1 family if the recipient—
6	"(i) maintains satisfactory attendance
7	at secondary school or the equivalent during
8	the month; or
9	"(ii) participates in education directly
10	related to employment for an average of at
11	least 20 hours per week during the month.
12	"(D) Limitation on number of persons
13	WHO MAY BE TREATED AS ENGAGED IN WORK BY
14	REASON OF PARTICIPATION IN EDUCATIONAL AC-
15	TIVITIES.—Except as provided in paragraph
16	(1)(C)(ii)(I), for purposes of subsection
17	(b)(1)(B)(i), not more than 30 percent of the
18	number of individuals in all families in a State
19	who are treated as engaged in work for a month
20	may consist of individuals who are—
21	"(i) determined (without regard to in-
22	dividuals participating in a program estab-
23	lished under section 404(l)) to be engaged in
24	work for the month by reason of participa-
25	tion in vocational educational training (but

1	only with respect to such training that does
2	not exceed 12 months with respect to any
3	$individual);\ or$
4	"(ii) deemed to be engaged in work for
5	the month by reason of subparagraph (C) of
6	this paragraph.
7	"(E) State option to deem single par-
8	ENT CARING FOR A CHILD OR ADULT DEPENDENT
9	FOR CARE WITH A PHYSICAL OR MENTAL IMPAIR-
10	MENT TO BE MEETING ALL OR PART OF A FAM-
11	ILY'S WORK PARTICIPATION REQUIREMENTS FOR
12	A MONTH.—
13	"(i) In general.—A State may count
14	the number of hours per week that an adult
15	recipient or minor child head of household
16	who is the only parent or caretaker relative
17	for a child or adult dependent for care with
18	a physical or mental impairment engages
19	in providing substantial ongoing care for
20	such child or adult dependent for care if the
21	State determines that—
22	"(I) the child or adult dependent
23	for care has been verified through a
24	medically acceptable clinical or diag-
25	nostic technique as havina a signifi-

1	cant physical or mental impairment or
2	combination of impairments that re-
3	quire substantial ongoing care;
4	"(II) the adult recipient or minor
5	child head of household providing such
6	care is the most appropriate means, as
7	determined by the State, by which such
8	care can be provided to the child or
9	adult dependent for care;
10	"(III) for each month in which
11	this subparagraph applies to the adult
12	recipient or minor child head of house-
13	hold, the adult recipient or minor child
14	head of household is in compliance
15	with the requirements of the family's
16	self-sufficiency plan; and
17	"(IV) the recipient is unable to
18	participate fully in work activities,
19	after consideration of whether there are
20	supports accessible and available to the
21	family for the care of the child or adult
22	dependent for care.
23	"(ii) Total number of hours lim-
24	ITED TO BEING COUNTED AS 1 FAMILY.—In
25	no event may a family that includes a re-

1	cipient to which clause (i) applies be count-
2	ed as more than 1 family for purposes of
3	determining monthly participation rates
4	$under\ subsection\ (b)(1)(B)(i).$
5	"(iii) State requirements.—In the
6	case of a recipient to which clause (i) ap-
7	plies, the State shall—
8	``(I) conduct regular, periodic
9	evaluations of the family of the adult
10	recipient or minor child head of house-
11	hold; and
12	"(II) include as part of the fam-
13	ily's self-sufficiency plan, regular up-
14	dates on what special needs of the child
15	or the adult dependent for care, includ-
16	ing substantial ongoing care, could be
17	accommodated either by individuals
18	other than the adult recipient or minor
19	child head of household outside of the
20	home.
21	"(iv) Rule of construction.—Noth-
22	ing in this subparagraph shall be construed
23	as prohibiting a State from including in a
24	recipient's self-sufficiency plan a require-

ment to engage in work activities described
 in subsection (d).

"(F) OPTIONAL MODIFICATION OF WORK RE-QUIREMENTS FOR RECIPIENTS RESIDINGAREAS OF INDIAN COUNTRY OR AN ALASKAN NA-TIVE VILLAGE WITH HIGH JOBLESSNESS.—If a State has included in the State plan a description of the State's policies in areas of Indian country or an Alaskan Native village described in section 408(a)(7)(D), the State may define the activities that the State will treat as being work activities described in subsection (d) that a recipient who resides in such an area and who is participating in such activities in accordance with a self-sufficiency plan under section 408(b) may engage in for purposes of satisfying work requirements under the State program and for purposes of determining monthly participation rates under subsection (b)(1)(B)(i).".

(2) Conforming amendment relating to authority to deem single parent of a child or adult dependent for care with a physical or mental impairment deemed to be meeting all or part of a family's work participation requirements for a month.—Section 402(a)(1)(B)

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1	(42 U.S.C. $602(a)(1)(B)$), as amended by section
2	101(a)(1)(B), is amended by adding at the end the
3	following:
4	"(vi) The document shall set forth the
5	criteria for applying section $407(c)(6)(E)$ to
6	an adult recipient or minor child head of
7	household who is the only parent or care-
8	taker relative for a child or adult dependent
9	for care.".
10	SEC. 110. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUF-
11	FICIENCY PLAN REQUIREMENTS; OTHER PRO-
12	HIBITIONS AND REQUIREMENTS.
13	(a) Universal Engagement and Family Self-Suf-
14	FICIENCY PLAN REQUIREMENTS.—
15	(1) Modification of state plan require-
16	MENTS.—Section $402(a)(1)(A)$ (42 U.S.C.
17	602(a)(1)(A)) is amended by striking clauses (ii) and
18	(iii) and inserting the following:
19	"(ii) Require a parent or caretaker re-
20	ceiving assistance under the program to en-
21	gage in work or alternative self-sufficiency
22	activities (as defined by the State), con-
23	sistent with section $407(e)(2)$.
24	"(iii) Require families receiving assist-
25	ance under the program to engage in activi-

1	ties in accordance with family self-suffi-
2	ciency plans developed pursuant to section
3	408(b).".
4	(2) Establishment of family self-suffi-
5	CIENCY PLANS.—
6	(A) In General.—Section 408(b) (42
7	U.S.C. 608(b)) is amended to read as follows:
8	"(b) Family Self-Sufficiency Plans.—
9	"(1) In general.—A State to which a grant is
10	made under section 403 shall—
11	"(A) make an initial screening and assess-
12	ment, in the manner deemed appropriate by the
13	State, of the skills, prior work experience, edu-
14	cation obtained, work readiness, barriers to
15	work, and employability of each adult or minor
16	child head of household recipient of assistance in
17	the family who—
18	"(i) has attained age 18; or
19	"(ii) has not completed high school or
20	obtained a certificate of high school equiva-
21	lency and is not attending secondary school;
22	"(B) assess, in the manner deemed appro-
23	priate by the State, the work support and other
24	assistance and family support services for which
25	each family receiving assistance is eligible; and

1	"(C) assess, in the manner deemed appro-
2	priate by the State, the well-being of the children
3	in the family, and, where appropriate, activities
4	or resources to improve the well-being of the chil-
5	dren.
6	"(2) Contents of plans.—The State shall, in
7	the manner deemed appropriate by the State—
8	"(A) establish for each family that includes
9	an individual described in paragraph (1)(A), in
10	consultation as the State deems appropriate with
11	the individual, a self-sufficiency plan that—
12	"(i) specifies activities described in the
13	State plan submitted pursuant to section
14	402, including work activities described in
15	paragraph (1), (2), (3), (4), (5), (6), (7),
16	(8), or (12) of section 407(d), as appro-
17	priate;
18	"(ii) is designed to assist the family in
19	achieving their maximum degree of self-suf-
20	ficiency, and
21	"(iii) provides for the ongoing partici-
22	pation of the individual in the activities
23	specified in the plan;

1	"(B) requires, at a minimum, each such in-
2	dividual to participate in activities in accord-
3	ance with the self-sufficiency plan;
4	"(C) sets forth the appropriate supportive
5	services the State intends to provide for the fam-
6	ily;
7	"(D) establishes for the family a plan that
8	addresses the issue of child well-being and, when
9	appropriate, adolescent well-being, and that may
10	include services such as domestic violence coun-
11	seling, mental health referrals, and parenting
12	courses; and
13	"(E) includes a section designed to assist
14	the family by informing the family, in such
15	manner as deemed appropriate by the State, of
16	the work support and other assistance for which
17	the family may be eligible including (but not
18	limited to)—
19	"(i) the food stamp program estab-
20	lished under the Food Stamp Act of 1977 (7
21	U.S.C. 2011 et seq.);
22	"(ii) the medicaid program funded
23	under title XIX;
24	"(iii) the State children's health insur-
25	ance program funded under title XXI;

1	"(iv) Federal or State funded child
2	care, including child care funded under the
3	Child Care Development Block Grant Act of
4	1990 (42 U.S.C. 9858 et seq.) and funds
5	made available under this title or title XX;
6	"(v) the earned income tax credit
7	under section 32 of the Internal Revenue
8	Code of 1986;
9	"(vi) the low-income home energy as-
10	sistance program established under the Low-
11	Income Home Energy Assistance Act of
12	1981 (42 U.S.C. 8621 et seq.);
13	"(vii) the special supplemental nutri-
14	tion program for women, infants, and chil-
15	dren established under section 17 of the
16	Child Nutrition Act of 1966 (42 U.S.C.
17	1786);
18	"(viii) programs conducted under the
19	Workforce Investment Act of 1998 (29
20	U.S.C. 2801 et seq.); and
21	"(ix) low-income housing assistance
22	programs.
23	"(3) Review.—
24	"(A) Regular review.—A State to which
25	a grant is made under section 403 shall—

1	"(i) monitor the participation of each
2	adult recipient or minor child head of
3	household in the activities specified in the
4	self-sufficiency plan, and regularly review
5	the progress of the family toward self-suffi-
6	ciency; and
7	"(ii) upon such a review, revise the
8	plan and activities required under the plan
9	as the State deems appropriate in consulta-
10	tion with the family.
11	"(B) Prior to the imposition of a sanc-
12	tion.—Prior to imposing a sanction against an
13	adult recipient, minor child head of household,
14	or a family for failure to comply with a require-
15	ment of the self-sufficiency plan or the State pro-
16	gram funded under this part, the State shall, to
17	the extent determined appropriate by the State—
18	"(i) review the self-sufficiency plan;
19	and
20	"(ii) make a good faith effort (as de-
21	fined by the State) to consult with the fam-
22	ily.
23	"(4) State discretion.—A State shall have
24	sole discretion, consistent with section 407, to define
25	and design activities for families for nurposes of this

1	subsection, to develop methods for monitoring and re-
2	viewing progress pursuant to this subsection, and to
3	make modifications to the plan as the State deems
4	appropriate to assist the individual in increasing
5	their degree of self-sufficiency.
6	"(5) APPLICATION TO PARTIALLY-SANCTIONED
7	FAMILIES.—The requirements of this subsection shall
8	apply in the case of a family that includes an adult
9	or minor child head of household recipient of assist-
10	ance who is subject to a partial sanction.
11	"(6) Timing.—The State shall initiate screening
12	and assessment and the establishment of a family self-
13	sufficiency plan in accordance with the requirements
14	of this subsection—
15	"(A) in the case of a family that, as of the
16	date of enactment of the Personal Responsibility
17	and Individual Development for Everyone Act, is
18	not receiving assistance from the State program
19	funded under this part, not later than the later
20	of—
21	"(i) 1 year after such date of enact-
22	ment; or
23	"(ii) 60 days after the family first re-
24	ceives assistance on the basis of the most re-
25	cent application for assistance; and

1	"(B) in the case of a family that, as of such
2	date, is receiving assistance under the State pro-
3	gram funded under this part, not later than 1
4	year after such date of enactment.
5	"(7) Rule of interpretation.—Nothing in
6	this subsection shall preclude a State from—
7	"(A) requiring participation in work and
8	any other activities the State deems appropriate
9	for helping families achieve self-sufficiency and
10	improving child well-being; or
11	"(B) using job search or other appropriate
12	job readiness or work activities to assess the em-
13	ployability of individuals and to determine ap-
14	propriate future engagement activities.".
15	(B) Penalty for failure to comply
16	WITH FAMILY SELF-SUFFICIENCY PLAN REQUIRE-
17	MENTS.—
18	(i) In General.—Section 409(a)(3)
19	(42 U.S.C. 609(a)(3)) is amended—
20	(I) in the paragraph heading, by
21	inserting "OR COMPLY WITH FAMILY
22	SELF-SUFFICIENCY PLAN REQUIRE-
23	MENTS" after "RATES";
24	(II) in subparagraph (A), by in-
25	serting "or 408(b)" after "407(a)"; and

1	(III) by striking subparagraph
2	(C) and inserting the following:
3	"(C) Penalty based on severity of
4	FAILURE.—
5	"(i) Failure to satisfy minimum
6	PARTICIPATION RATE.—If, with respect to
7	fiscal year 2005 or any fiscal year there-
8	after, the Secretary finds that a State has
9	failed or is failing to substantially comply
10	with the requirements of section 407(a) for
11	that fiscal year, the Secretary shall impose
12	reductions under subparagraph (A) with re-
13	spect to the immediately succeeding fiscal
14	year based on the degree of substantial non-
15	compliance. In assessing the degree of sub-
16	stantial noncompliance under section
17	407(a) for a fiscal year, the Secretary shall
18	take into account factors such as—
19	"(I) the degree to which the State
20	missed the minimum participation
21	rate for that fiscal year;
22	"(II) the change in the number of
23	individuals who are engaged in work
24	in the State since the prior fiscal year;
25	and

1	"(III) the number of consecutive
2	fiscal years in which the State failed to
3	reach the minimum participation rate.
4	"(ii) Failure to comply with self-
5	SUFFICIENCY PLAN REQUIREMENTS.—If,
6	with respect to fiscal year 2005 or any fis-
7	cal year thereafter, the Secretary finds that
8	a State has failed or is failing to substan-
9	tially comply with the requirements of sec-
10	tion 408(b) for that fiscal year, the Sec-
11	retary shall impose reductions under sub-
12	paragraph (A) with respect to the imme-
13	diately succeeding fiscal year based on the
14	degree of substantial noncompliance. In as-
15	sessing the degree of substantial noncompli-
16	ance under section 408(b), the Secretary
17	shall take into account factors such as—
18	"(I) the number or percentage of
19	families for which a self-sufficiency
20	plan is not established in a timely
21	fashion for that fiscal year;
22	"(II) the duration of the delays in
23	establishing a self-sufficiency plan dur-
24	ing that fiscal year;

1	"(III) whether the failures are iso-
2	lated and nonrecurring; and
3	"(IV) the existence of systems de-
4	signed to ensure that self-sufficiency
5	plans are established for all families in
6	a timely fashion and that families'
7	progress under such plans is mon-
8	itored.
9	"(iii) Authority to reduce the
10	PENALTY.—The Secretary may reduce the
11	penalty that would otherwise apply under
12	this paragraph if the substantial non-
13	compliance is due to circumstances that
14	caused the State to meet the criteria of sub-
15	clause (I), (II), or (III) of section
16	403(b)(3)(A)(iii) or to satisfy the applicable
17	duration requirement of section
18	403(b)(3)(B) during the fiscal year, or if the
19	noncompliance is due to extraordinary cir-
20	cumstances such as a natural disaster or re-
21	gional recession. The Secretary shall pro-
22	vide a written report to Congress to justify
23	any waiver or penalty reduction due to
24	such extraordinary circumstances.".

1	(ii) Effective date.—The amend-
2	ments made by this subparagraph take ef-
3	fect on October 1, 2004.
4	(3) GAO EVALUATION AND REPORT.—Not later
5	than September 30, 2005, the Comptroller General of
6	the United States shall submit a report to the Com-
7	mittee on Ways and Means of the House of Represent-
8	atives and the Committee on Finance of the Senate
9	evaluating the implementation of the universal en-
10	gagement provisions under the temporary assistance
11	to needy families program under part A of title IV
12	of the Social Security Act (42 U.S.C. 601 et seq.), as
13	added by the amendments made by this subsection.
14	(4) Rules of Construction.—Nothing in this
15	subsection or the amendments made by this subsection
16	shall be construed—
17	(A) as establishing a private right or cause
18	of action against a State for failure to comply
19	with the requirements imposed under this sub-
20	section or the amendments made by this sub-
21	$section;\ or$
22	(B) as limiting claims that may be avail-
23	able under other Federal or State laws.
24	(b) Transitional Compliance for Teen Par-
25	ENTS.—

1	(1) In General.—Section 408(a)(5) (42 U.S.C.
2	608(a)(5)) is amended—
3	(A) in subparagraph $(A)(i)$, by striking
4	"subparagraph (B)" and inserting "subpara-
5	graphs (B) and (C)"; and
6	(B) by adding at the end the following:
7	"(C) Authority to provide temporary
8	ASSISTANCE.—A State may use any part of a
9	grant made under section 403 to provide assist-
10	ance to an individual described in clause (ii) of
11	subparagraph (A) who would otherwise be pro-
12	hibited from receiving such assistance under
13	clause (i) of that subparagraph, subparagraph
14	(B), or section $408(a)(4)$ for not more than a
15	single 60-day period in order to assist the indi-
16	vidual in meeting the requirement of clause (i)
17	of subparagraph (A), subparagraph (B), or sec-
18	tion 408(a)(4) for receipt of such assistance.".
19	(2) Inclusion of transitional living youth
20	PROJECTS AS A FORM OF ADULT-SUPERVISED SET-
21	TING.—Clause (i) of section $408(a)(5)(A)$ (42 U.S.C.
22	608(a)(5)(A)(i)), as amended by paragraph (1), is
23	amended—
24	(A) by striking "do not reside in a place of"
25	and inserting "do not reside in a—

1	"(I) place of";
2	(B) by striking the period and inserting ";
3	or"; and
4	(C) by adding at the end the following:
5	"(II) transitional living youth
6	project funded under a grant made
7	under section 321 of the Runaway and
8	Homeless Youth Act (42 U.S.C. 5714-
9	1).".
10	SEC. 111. PENALTIES.
11	Section 409(a)(7) (42 U.S.C. 609(a)(7)), as amended
12	by section 3(g) of the Welfare Reform Extension Act of 2003
13	(Public Law 108–040, 117 Stat. 837) is amended—
14	(1) in subparagraph (A) by striking "fiscal year
15	1998, 1999, 2000, 2001, 2002, 2003, or 2004" and in-
16	serting "fiscal year 2004, 2005, 2006, 2007, 2008, or
17	2009"; and
18	(2) in subparagraph $(B)(ii)$ —
19	(A) by inserting "preceding" before "fiscal
20	year"; and
21	(B) by striking "for fiscal years 1997
22	through 2003,".
23	SEC. 112. DATA COLLECTION AND REPORTING.
24	(a) Contents of Report.—Section 411(a)(1)(A) (42
25	$U.S.C.\ 611(a)(1)(A)$) is amended—

1	(1) in the matter preceding clause (i), by insert-
2	ing "and on families receiving assistance under State
3	programs funded with other qualified State expendi-
4	tures (as defined in section $409(a)(7)(B)(i)$)" before
5	$the\ colon;$
6	(2) in clause (vii), by inserting "and minor par-
7	ent" after "of each adult";
8	(3) in clause (viii), by striking "and educational
9	level";
10	(4) in clause (ix), by striking ", and if the latter
11	2, the amount received";
12	(5) in clause (x)—
13	(A) by striking "each type of"; and
14	(B) by inserting before the period "and, if
15	applicable, the reason for receipt of the assistance
16	for a total of more than 60 months";
17	(6) in clause (xi), by striking subclauses (I)
18	through (VII) and inserting the following:
19	"(I) Subsidized private sector em-
20	ployment.
21	"(II) Unsubsidized employment.
22	"(III) Public sector employment,
23	supervised work experience, or super-
24	vised community service.
25	"(IV) On-the-job training.

1	"(V) Job search and placement.
2	$"(VI)\ Training.$
3	$``(VII)\ Education.$
4	"(VIII) Other activities directed
5	at the purposes of this part, as speci-
6	fied in the State plan submitted pursu-
7	ant to section 402.";
8	(7) in clause (xii), by inserting "and progress to-
9	ward universal engagement" after "participation
10	rates";
11	(8) in clause (xiii), by striking "type and" before
12	"amount of assistance";
13	(9) in clause (xvi), by striking subclause (II)
14	and redesignating subclauses (III) through (V) as sub-
15	clauses (II) through (IV), respectively; and
16	(10) by adding at the end the following:
17	"(xviii) The date the family first re-
18	ceived assistance from the State program on
19	the basis of the most recent application for
20	such assistance.
21	"(xix) Whether a self-sufficiency plan
22	is established for the family in accordance
23	with section $408(b)$.
24	"(xx) With respect to any child in the
25	family, the marital status of the parents at

1	the birth of the child, and if the parents
2	were not then married, whether the pater-
3	nity of the child has been established.".
4	(b) Use of Samples.—Section $411(a)(1)(B)$ (42)
5	U.S.C. 611(a)(1)(B)) is amended—
6	(1) in clause (i)—
7	(A) by striking "a sample" and inserting
8	"samples"; and
9	(B) by inserting before the period ", except
10	that the Secretary may designate core data ele-
11	ments that must be reported on all families";
12	and
13	(2) in clause (ii), by striking "funded under this
14	part" and inserting "described in subparagraph (A)".
15	(c) Report on Families That Become Ineligible
16	To Receive Assistance.—Section 411(a) (42 U.S.C.
17	611(a)) is amended—
18	(1) by striking paragraph (5);
19	(2) by redesignating paragraph (6) as para-
20	graph (5); and
21	(3) by inserting after paragraph (5) (as so redes-
22	ignated) the following:
23	"(6) Report on families that become ineli-
24	GIBLE TO RECEIVE ASSISTANCE.—The report required
25	by paragraph (1) for a fiscal quarter shall include for

1	each month in the quarter the number of families and
2	total number of individuals that, during the month,
3	became ineligible to receive assistance under the State
4	program funded under this part (broken down by the
5	number of families that become so ineligible due to
6	earnings, changes in family composition that result
7	in increased earnings, sanctions, time limits, or other
8	specified reasons).".
9	(d) Regulations.—Section $411(a)(7)$ (42 U.S.C.
10	611(a)(7)) is amended—
11	(1) by inserting "and to collect the necessary
12	data" before "with respect to which reports";
13	(2) by striking "subsection" and inserting "sec-
14	tion"; and
15	(3) by striking "in defining the data elements"
16	and all that follows and inserting ", the National
17	Governors' Association, the American Public Human
18	Services Association, the National Conference of State
19	Legislatures, and others in defining the data ele-
20	ments.".
21	(e) Additional Reports by States.—Section 411
22	(42 U.S.C. 611) is amended—
23	(1) by redesignating subsection (b) as subsection
24	(e); and

1	(2) by inserting after subsection (a) the fol-
2	lowing:
3	"(b) Annual Reports on Program Characteris-
4	TICS.—Not later than 90 days after the end of fiscal year
5	2004 and each succeeding fiscal year, each eligible State
6	shall submit to the Secretary a report on the characteristics
7	of the State program funded under this part and other State
8	programs funded with qualified State expenditures (as de-
9	fined in section $409(a)(7)(B)(i)$). The report shall include,
10	with respect to each such program, the program name, a
11	description of program activities, the program purpose, the
12	program eligibility criteria, the sources of program funding,
13	the number of program beneficiaries, sanction policies, and
14	any program work requirements.
15	"(c) Monthly Reports on Caseload.—Not later
16	than 3 months after the end of each calendar month that
17	begins 1 year or more after the date of enactment of this
18	subsection, each eligible State shall submit to the Secretary
19	a report on the number of families and total number of in-
20	dividuals receiving assistance in the calendar month under
21	the State program funded under this part and under other
22	State programs funded with qualified State expenditures
23	(as defined in section $409(a)(7)(B)(i)$).
24	"(d) Annual Report on Performance Improve-
25	MENT.—Beginning with fiscal year 2005, not later than

1	January 1 of each fiscal year, each eligible State shall sub-
2	mit to the Secretary a report on achievement and improve-
3	ment during the preceding fiscal year under the perform-
4	ance goals and measures under the State program funded
5	under this part with respect to each of the matters described
6	in section $402(a)(1)(A)(v)$.".
7	(f) Annual Reports to Congress by the Sec-
8	RETARY.—Section 411(e) (42 U.S.C. 611(e)), as so redesig-
9	nated by subsection (e) of this section, is amended—
10	(1) in the matter preceding paragraph (1), by
11	striking "and each fiscal year thereafter" and insert-
12	ing "and not later than July 1 of each fiscal year
13	the reafter";
14	(2) in paragraph (2), by striking "families ap-
15	plying for assistance," and by striking the last
16	comma; and
17	(3) in paragraph (3), by inserting "and other
18	programs funded with qualified State expenditures
19	(as defined in section $409(a)(7)(B)(i)$)" before the
20	semicolon.
21	SEC. 113. DIRECT FUNDING AND ADMINISTRATION BY IN-
22	DIAN TRIBES.
23	(a) Funding for Tribal TANF programs.—
24	(1) Reauthorization of tribal family as-
25	SISTANCE GRANTS.—Section 412(a)(1)(A) (42 U.S.C.

1	612(a)(1)(A)), as amended by section 3(h) of the Wel-
2	fare Reform Extension Act of 2003, is amended by
3	striking "1997, 1998, 1999, 2000, 2001, 2002, and
4	2003" and inserting "2004 through 2008".
5	(2) Grants for indian tribes that received
6	JOBS FUNDS.—Section $412(a)(2)(A)$ $(42$ U.S.C.
7	612(a)(2)(A)), as so amended, is amended by striking
8	"1997, 1998, 1999, 2000, 2001, 2002, and 2003" and
9	inserting "2004 through 2008".
10	(b) Tribal TANF Improvement Fund.—Section
11	412(a) (42 U.S.C. 612(a)) is amended by adding at the end
12	the following:
13	"(4) Tribal tanf improvement fund.—
14	"(A) Establishment.—The Secretary shall
15	establish a fund for purposes of carrying out any
16	of the following activities:
17	"(i) Providing technical assistance to
18	Indian tribes considering applying to carry
19	out, or that are carrying out, a tribal fam-
20	ily assistance plan under this section in
21	order to help such tribes establish and oper-
22	ate strong and effective tribal family assist-
23	ance plans under this section that will
24	allow families receiving assistance under

1	such plans achieve the highest measure of
2	self-sufficiency.
3	"(ii) Awarding competitive grants di-
4	rectly to Indian tribes carrying out a tribal
5	family assistance plan under this section
6	for purposes of conducting programs and
7	activities that would substantially improve
8	the operation and effectiveness of such plans
9	and the ability of such tribes to achieve the
10	purposes of the program under this part as
11	described in section 401(a).
12	"(iii) Awarding competitive grants di-
13	rectly to Indian tribes carrying out a tribal
14	family assistance plan under this section to
15	support tribal economic development activi-
16	ties that would significantly assist families
17	receiving assistance under the State pro-
18	gram funded under this part or a tribal
19	family assistance plan obtain employment
20	and achieve self-sufficiency.
21	"(iv) Conducting, directly or through
22	grants, contracts, or interagency agree-
23	ments, research and development to improve
24	knowledge about tribal family assistance
25	programs conducted under this section and

1	challenges faced by such programs in order
2	to improve the effectiveness of such pro-
3	grams.
4	"(B) Authorization of Appropria-
5	TIONS.—There are authorized to be appropriated
6	to the Secretary to carry out this paragraph,
7	\$100,000,000 for each of fiscal years 2004
8	through 2008.".
9	SEC. 114. RESEARCH, EVALUATIONS, AND NATIONAL STUD-
10	IES.
11	(a) Secretary's Fund for Research, Demonstra-
12	Tions, and Technical Assistance.—Section 413 (42
13	U.S.C. 613), as amended by section 101(d), is further
14	amended by adding at the end the following:
15	"(l) Funding for Research, Demonstrations, and
16	Technical Assistance.—
17	"(1) Appropriation.—
18	"(A) In general.—Out of any money in
19	the Treasury of the United States not otherwise
20	appropriated, there are appropriated
21	\$100,000,000 for each of fiscal years 2004
22	through 2008, which shall remain available to
23	the Secretary until expended.
24	"(B) Use of funds.—

1	"(i) In General.—Funds appro-
2	priated under subparagraph (A) shall be
3	used for the purpose of—
4	"(I) conducting or supporting re-
5	search and demonstration projects by
6	public or private entities; or
7	"(II) providing technical assist-
8	ance in connection with a purpose of
9	the program funded under this part, as
10	described in section 401(a), to States,
11	Indian tribal organizations, sub-State
12	entities, and such other entities as the
13	Secretary may specify.
14	"(ii) Requirement.—Not less than 80
15	percent of the funds appropriated under
16	subparagraph (A) for a fiscal year shall be
17	expended for the purpose of conducting or
18	supporting research and demonstration
19	projects, or for providing technical assist-
20	ance, in connection with activities described
21	in section $403(a)(2)(B)$. Funds appro-
22	priated under subparagraph (A) and ex-
23	pended in accordance with this clause shall
24	be in addition to any other funds made

1	available under this part for activities de-
2	scribed in section $403(a)(2)(B)$.
3	"(2) Secretary's authority.—The Secretary
4	may conduct activities authorized by this subsection
5	directly or through grants, contracts, or interagency
6	agreements with public or private entities.
7	"(3) Requirement for use of funds.—The
8	Secretary shall not pay any funds appropriated
9	under paragraph (1)(A) to an entity for the purpose
10	of conducting or supporting research and demonstra-
11	tion projects involving activities described in section
12	403(a)(2)(B) unless the entity complies with the re-
13	quirements of section $403(a)(2)(E)$.".
14	(b) Funding of Studies and Demonstrations.—
15	Section $413(h)(1)$ (42 U.S.C. $613(h)(1)$) is amended in the
16	matter preceding subparagraph (A) by striking "1997
17	through 2002" and inserting "2004 through 2008".
18	(c) Program Coordination Demonstration
19	Projects.—
20	(1) Purpose.—The purpose of this subsection is
21	to establish a program of demonstration projects in a
22	State or portion of a State to coordinate assistance
23	provided under qualified programs for the purpose of
24	supporting working individuals and families, helping
25	families escape welfare dependency, promoting child

1	well-being, or helping build stronger families, using
2	innovative approaches to strengthen service systems
3	and provide more coordinated and effective service de-
4	livery.
5	(2) Definitions.—In this subsection:
6	(A) QUALIFIED PROGRAM.—The term
7	"qualified program" means—
8	(i) a program under part A of title IV
9	of the Social Security Act (42 U.S.C. 601 et
10	seq.);
11	(ii) the program under title XX of the
12	Social Security Act (42 U.S.C. 1397 et
13	seq.); and
14	(iii) child care assistance funded under
15	section 418 of the Social Security Act (42
16	U.S.C. 618).
17	(B) Secretary.—The term "Secretary"
18	means the Secretary of Health and Human Serv-
19	ices.
20	(3) Application requirements.—The head of
21	a State entity or of a sub-State entity administering
22	2 or more qualified programs proposed to be included
23	in a demonstration project under this subsection shall
24	(or, if the project is proposed to include qualified pro-
25	grams administered by 2 or more such entities, the

1	heads of the administering entities (each of whom
2	shall be considered an applicant for purposes of this
3	subsection) shall jointly) submit to the Secretary an
4	application that contains the following:
5	(A) Programs included.—A statement
6	identifying each qualified program to be in-
7	cluded in the project, and describing how the
8	purposes of each such program will be achieved
9	by the project.
10	(B) POPULATION SERVED.—A statement
11	identifying the population to be served by the
12	project and specifying the eligibility criteria to
13	$be\ used.$
14	(C) Description and Justification.—A
15	detailed description of the project, including—
16	(i) a description of how the project is
17	expected to improve or enhance achievement
18	of the purposes of the programs to be in-
19	cluded in the project, from the standpoint of
20	quality, of cost-effectiveness, or of both; and
21	(ii) a description of the performance
22	objectives for the project, including any pro-
23	posed modifications to the performance
24	measures and reporting requirements used
25	in the programs.

1	(D) Waivers requested.—A description
2	of the statutory and regulatory requirements
3	with respect to which a waiver is requested in
4	order to carry out the project, and a justification
5	of the need for each such waiver.
6	(E) Cost neutrality.—Such information
7	and assurances as necessary to establish to the
8	satisfaction of the Secretary, in consultation
9	with the Director of the Office of Management
10	and Budget, that the proposed project is reason-
11	ably expected to meet the applicable cost neu-
12	trality requirements of paragraph $(4)(E)$.
13	(F) Evaluation and reports.—An assur-
14	ance that the applicant will—
15	(i) obtain an evaluation by an inde-
16	pendent contractor of the effectiveness of the
17	project using an evaluation design that, to
18	the maximum extent feasible, includes ran-
19	dom assignment of clients (or entities serv-
20	ing such clients) to service delivery and con-
21	trol groups; and
22	(ii) make interim and final reports to
23	the Secretary, at such times and in such
24	manner as the Secretary may require.

1	(G) Other information and assur-
2	Ances.—Such other information and assurances
3	as the Secretary may require.
4	(4) Approval of applications.—
5	(A) In general.—The Secretary with re-
6	spect to a qualified program that is identified in
7	an application submitted pursuant to subsection
8	(c) may approve the application and, except as
9	provided in subparagraph (B), waive any re-
10	quirement applicable to the program, to the ex-
11	tent consistent with this subsection and necessary
12	and appropriate for the conduct of the dem-
13	onstration project proposed in the application, if
14	the Secretary determines that the project—
15	(i) has a reasonable likelihood of
16	achieving the objectives of the programs to
17	be included in the project;
18	(ii) may reasonably be expected to
19	meet the applicable cost neutrality require-
20	ments of subparagraph (E), as determined
21	by the Director of the Office of Management
22	and Budget;
23	(iii) includes the coordination of 2 or
24	more qualified programs; and

1	(iv) provides for an independent eval-
2	uation that includes random assignment to
3	the maximum extent feasible, as described
4	in paragraph (3)(F), and which the Sec-
5	retary determines to be appropriate for as-
6	sessing the effectiveness of the project.
7	(B) Provisions excluded from waiver
8	AUTHORITY.—A waiver shall not be granted
9	under subparagraph (A)—
10	(i) with respect to any provision of law
11	relating to—
12	(I) civil rights or prohibition of
13	discrimination;
14	(II) purposes or goals of any pro-
15	gram;
16	(III) maintenance of effort re-
17	quirements;
18	(IV) health or safety;
19	(V) labor standards under the
20	Fair Labor Standards Act of 1938; or
21	(VI) environmental protection;
22	(ii) in the case of child care assistance
23	funded under section 418 of the Social Secu-
24	rity Act (42 U.S.C. 618), with respect to the
25	requirement under the first sentence of sub-

1	section $(b)(1)$ of that section that funds re-
2	ceived by a State under that section shall
3	only be used to provide child care assist-
4	ance;
5	(iii) with respect to any requirement
6	that a State pass through to a sub-State en-
7	tity part or all of an amount paid to the
8	State;
9	(iv) if the waiver would waive any
10	funding restriction or limitation provided
11	in an appropriations Act, or would have the
12	effect of transferring appropriated funds
13	from 1 appropriations account to another;
14	or
15	(v) except as otherwise provided by
16	statute, if the waiver would waive any
17	funding restriction applicable to a program
18	authorized under an Act which is not an
19	appropriations Act (but not including pro-
20	gram requirements such as application pro-
21	cedures, performance standards, reporting
22	requirements, or eligibility standards), or
23	would have the effect of transferring funds
24	from a program for which there is direct
25	spending (as defined in section $250(c)(8)$ of

1	the Balanced Budget and Emergency Def-
2	icit Control Act of 1985) to another pro-
3	gram.
4	(C) 10 State limitation.—The Director of
5	the Office of Management and Budget shall es-
6	tablish a procedure for ensuring that not more
7	than 10 States (including any portion of a
8	State) conduct a demonstration project under
9	this subsection.
10	(D) AGREEMENT OF SECRETARY RE-
11	QUIRED.—
12	(i) In general.—An applicant may
13	not conduct a demonstration project under
14	this subsection unless the Secretary, with re-
15	spect to each qualified program proposed to
16	be included in the project, has approved the
17	application to conduct the project.
18	(ii) AGREEMENT WITH RESPECT TO
19	FUNDING AND IMPLEMENTATION.—Before
20	approving an application to conduct a dem-
21	onstration project under this subsection, the
22	Secretary shall have in place an agreement
23	with the applicant with respect to the pay-
24	ment of funds and responsibilities required
25	of the Secretary with respect to the project.

E) Cos	ST-NEUTR	ALITV	REQUIRE	MENT —
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(i) GENERAL RULE.—Notwithstanding any other provision of law (except as provided in clause (ii)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this subsection is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

(ii) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this clause to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period of not more than 5 consecutive

1 fiscal years in which the project is in effect, 2 and the Director determines, on the basis of 3 supporting information provided by the ap-4 plicant, to grant the request, then, notwith-5 standing any other provision of law, the 6 total of the amounts that may be paid by 7 the Federal Government for the period with 8 respect to the programs shall not exceed the 9 estimated total amount that the Federal 10 Government would have paid for the period 11 with respect to the programs if the project 12 had not been conducted. 13 (F) 90-day approval deadline.— 14 (i) In General.—If the Secretary re-15 ceives an application to conduct a dem-16 onstration project under this subsection and 17 does not disapprove the application within 18 90 days after the receipt, then, subject to the 19 10 State limitation under paragraph (3)— 20 (I) the Secretary is deemed to 21 have approved the application for such 22 period as is requested in the applica-23 tion, except to the extent inconsistent

with paragraph (5); and

24

1	(II) any waiver requested in the
2	application which applies to a quali-
3	fied program that is identified in the
4	application and is administered by the
5	Secretary is deemed to be granted, ex-
6	cept to the extent inconsistent with
7	subparagraph (B) or (E) of this para-
8	graph.
9	(ii) Deadline extended if addi-
10	Tional information is sought.—The 90-
11	day period referred to in clause (i) shall not
12	include any period that begins with the date
13	the Secretary requests the applicant to pro-
14	vide additional information with respect to
15	the application and ends with the date the
16	additional information is provided.
17	(5) Duration of Projects.—A demonstration
18	project under this subsection may be approved for a
19	term of not more than 5 years.
20	(6) Reports to congress.—
21	(A) Report on disposition of applica-
22	TIONS.—Within 90 days after the date the Sec-
23	retary receives an application submitted pursu-
24	ant to this subsection, the Secretary shall submit
25	to the Committee on Finance of the Senate and

1	the Committee on Ways and Means of the House
2	of Representatives notice of the receipt, a de-
3	scription of the decision of the Secretary with re-
4	spect to the application, and the reasons for ap-
5	proving or disapproving the application.
6	(B) Reports on projects.—The Sec-
7	retary shall provide annually to Congress a re-
8	port concerning demonstration projects approved
9	under this subsection, including—
10	(i) the projects approved for each ap-
11	plicant;
12	(ii) the number of waivers granted
13	under this subsection, and the specific statu-
14	tory provisions waived;
15	(iii) how well each project for which a
16	waiver is granted is improving or enhanc-
17	ing program achievement from the stand-
18	point of quality, cost-effectiveness, or both;
19	(iv) how well each project for which a
20	waiver is granted is meeting the perform-
21	ance objectives specified in paragraph
22	(3)(C)(ii);
23	(v) how each project for which a waiv-
24	er is aranted is conforming with the cost-

1	neutrality requirements of paragraph
2	(4)(E); and
3	(vi) to the extent the Secretary deems
4	appropriate, recommendations for modifica-
5	tion of programs based on outcomes of the
6	projects.
7	SEC. 115. STUDY BY THE CENSUS BUREAU.
8	(a) In General.—Section 414(a) (42 U.S.C. 614(a))
9	is amended to read as follows:
10	"(a) In General.—The Bureau of the Census shall
11	implement or enhance a longitudinal survey of program
12	participation, developed in consultation with the Secretary
13	and made available to interested parties, to allow for the
14	assessment of the outcomes of continued welfare reform on
15	the economic and child well-being of low-income families
16	with children, including those who received assistance or
17	services from a State program funded under this part, and,
18	to the extent possible, shall provide State representative
19	samples. The content of the survey should include such in-
20	formation as may be necessary to examine the issues of out-
21	of-wedlock childbearing, marriage, welfare dependency and
22	compliance with work requirements, the beginning and end-
23	ing of spells of assistance, work, earnings and employment
24	stability, and the well-being of children.".

1	(b) Reports on the Well-Being of Children and
2	Families.—Section 414 (42 U.S.C. 614), as amended by
3	subsection (a), is amended—
4	(1) by redesignating subsection (b) as subsection
5	(c); and
6	(2) by inserting after subsection (a) the fol-
7	lowing:
8	"(b) Reports on the Well-Being of Children
9	AND FAMILIES.—
10	"(1) In general.—Not later than 24 months
11	after the date of enactment of the Personal Responsi-
12	bility and Individual Development for Everyone Act,
13	the Secretary of Commerce shall prepare and submit
14	to the Committee on Ways and Means of the House
15	of Representatives and the Committee on Finance of
16	the Senate a report on the well-being of children and
17	families using data collected under subsection (a).
18	"(2) Second Report.—Not later than 60
19	months after such date of enactment, the Secretary of
20	Commerce shall submit a second report to the Com-
21	mittee on Ways and Means of the House of Represent-
22	atives and the Committee on Finance of the Senate on
23	the well-being of children and families using data col-
24	lected under subsection (a).

1	"(3) Inclusion of comparable measures.—
2	Where comparable measures for data collected under
3	subsection (a) exist in surveys previously adminis-
4	tered by the Bureau of the Census, appropriate com-
5	parisons shall be made and included in each report
6	required under this subsection on the well-being of
7	children and families to assess changes in such meas-
8	ures.".
9	(c) Appropriation.—Section 414(c) (42 U.S.C.
10	614(c)), as redesignated by subsection (b)(1) and as amend-
11	ed by section 3(i) of the Welfare Reform Extension Act of
12	2003 (Public Law 108-040, 117 Stat. 837), is amended by
13	striking "1996," and all that follows through the period and
14	inserting "2004 through 2008 for payment to the Bureau
15	of the Census to carry out this section. Funds appropriated
16	under this subsection for a fiscal year shall remain avail-
17	able through fiscal year 2008 to carry out this section.".
18	SEC. 116. FUNDING FOR CHILD CARE.
19	(a) Increase in Mandatory Funding.—Section
20	418(a)(3) (42 U.S.C. 618(a)(3)), as amended by section 4
21	of the Welfare Reform Extension Act of 2003 (Public Law
22	108-040, 117 Stat. 837), is amended—
23	(1) by striking "and" at the end of subpara-
24	graph(E);

1	(2) by striking the period at the end of subpara-
2	graph (F) and inserting "; and"; and
3	(3) by adding at the end the following:
4	"(G) \$2,917,000,000 for each of fiscal years
5	2004 through 2008.".
6	(b) Inclusion of Commonwealth of Puerto Rico
7	IN RESERVATION OF CHILD CARE FUNDS.—
8	(1) In General.—Section 418(a)(4) (42 U.S.C.
9	618(a)(4)) is amended—
10	(A) in the paragraph heading, by striking
11	"Indian tribes" and inserting "Amounts re-
12	SERVED";
13	(B) by striking "The Secretary" and insert-
14	ing the following:
15	"(A) Indian tribes.—The Secretary"; and
16	(C) by adding at the end the following:
17	"(B) PUERTO RICO.—The Secretary shall
18	reserve \$10,000,000 of the amount appropriated
19	under paragraph (3) for each fiscal year for pay-
20	ments to the Commonwealth of Puerto Rico for
21	each such fiscal year for the purpose of providing
22	child care assistance.".
23	(2) Conforming Amendment.—Section
24	1108(a)(2) (42 U.S.C. 1308(a)(2)), as amended by

1	section 108(b)(3), is amended by striking "or 413(f)"
2	and inserting "413(f), or 418(a)(4)(B)".
3	SEC. 117. DEFINITIONS.
4	(a) In General.—Section 419 (42 U.S.C. 619) is
5	amended by adding at the end the following:
6	"(6) Assistance.—
7	"(A) In General.—The term 'assistance'
8	means payment, by cash, voucher, or other
9	means, to or for an individual or family for the
10	purpose of meeting a subsistence need of the in-
11	dividual or family (including food, clothing,
12	shelter, and related items, but not including costs
13	of transportation or child care).
14	"(B) Exception.—The term 'assistance'
15	does not include a payment described in sub-
16	paragraph (A) to or for an individual or family
17	on a short-term, nonrecurring basis (as defined
18	by the State in accordance with regulations pre-
19	scribed by the Secretary).".
20	(b) Conforming Amendments.—
21	(1) Section $404(a)(1)$ (42 U.S.C. $604(a)(1)$) is
22	amended by striking "assistance" and inserting
23	"aid".

1	(2) Section 404(f) (42 U.S.C. 604(f)) is amended
2	by striking "assistance" and inserting "benefits or
3	services".
4	(3) Section $408(a)(5)(B)(i)$ (42 U.S.C.
5	608(a)(5)(B)(i) is amended in the heading by strik-
6	ing "ASSISTANCE" and inserting "AID".
7	(4) Section $413(d)(2)$ (42 U.S.C. $613(d)(2)$) is
8	amended by striking "assistance" and inserting
9	"aid".
10	(5) Section $5(g)(2)(D)$ of the Food Stamp Act of
11	1977 (7 U.S.C. 2014(g)(2)(D)) is amended—
12	(A) by striking "If the vehicle allowance"
13	and inserting the following:
14	"(i) In general.—If the vehicle allow-
15	ance"; and
16	(B) by adding at the end the following:
17	"(ii) Definition of Assistance.—In
18	clause (i), the term 'assistance' shall have
19	the meaning given such term in section
20	260.31 of title 45 of the Code of Federal
21	Regulations, as in effect on June 1, 2002.".
22	SEC. 118. RESPONSIBLE FATHERHOOD PROGRAM.
23	(a) Responsible Fatherhood Program.—
24	(1) FINDINGS.—Congress makes the following
25	findings:

1	(A) Nearly 24,000,000 children in the
2	United States, or 34 percent of all such children,
3	live apart from their biological father.
4	(B) Sixty percent of couples who divorce
5	have at least 1 child.
6	(C) The number of children living with only
7	a mother increased from just over 5,000,000 in
8	1960 to 17,000,000 in 1999, and between 1981
9	and 1991 the percentage of children living with
10	only 1 parent increased from 19 percent to 25
11	percent.
12	(D) Forty percent of children who live in
13	households without a father have not seen their
14	father in at least 1 year and 50 percent of such
15	children have never visited their father's home.
16	(E) The most important factor in a child's
17	upbringing is whether the child is brought up in
18	a loving, healthy, supportive environment.
19	(F) Children who live without contact with
20	their biological father are, in comparison to chil-
21	dren who have such contact—
22	(i) 5 times more likely to live in pov-
23	erty;
24	(ii) more likely to bring weapons and
25	drugs into the classroom;

1	(iii) twice as likely to commit crime;
2	(iv) twice as likely to drop out of
3	school;
4	(v) more likely to commit suicide;
5	(vi) more than twice as likely to abuse
6	alcohol or drugs; and
7	(vii) more likely to become pregnant as
8	teenagers.
9	(G) Violent criminals are overwhelmingly
10	males who grew up without fathers.
11	(H) Between 20 and 30 percent of families
12	in poverty are headed by women who have suf-
13	fered domestic violence during the past year, and
14	between 40 and 60 percent of women with chil-
15	dren receiving welfare were abused sometime
16	during their life.
17	(I) Responsible fatherhood includes active
18	participation in financial support and child
19	care, as well as the formation and maintenance
20	of a positive, healthy, and nonviolent relation-
21	ship between father and child and a cooperative
22	relationship between parents.
23	(J) States should be encouraged to imple-
24	ment programs that provide support for respon-
25	sible fatherhood, promote marriage, and increase

1	the incidence of marriage, and should not be re-
2	stricted from implementing such programs.
3	(K) Fatherhood programs should promote
4	and provide support services for—
5	(i) loving and healthy relationships be-
6	tween parents and children; and
7	(ii) cooperative parenting.
8	(L) There is a social need to reconnect chil-
9	dren and fathers.
10	(M) The promotion of responsible fatherhood
11	and encouragement of healthy 2-parent married
12	families should not—
13	(i) denigrate the standing or parenting
14	efforts of single mothers or other caregivers;
15	(ii) lessen the protection of children
16	from abusive parents; or
17	(iii) compromise the safety or health of
18	the custodial parent;
19	but should increase the chance that children will
20	have 2 caring parents to help them grow up
21	healthy and secure.
22	(N) The promotion of responsible fatherhood
23	must always recognize and promote the values of
24	nonviolence.

1	(O) For the future of the United States and
2	the future of our children, Congress, States, and
3	local communities should assist parents to be-
4	come more actively involved in their children's
5	lives.
6	(P) Child support is an important means
7	by which a parent can take financial responsi-
8	bility for a child and emotional support is an
9	important means by which a parent can take so-
10	cial responsibility for a child.
11	(2) Fatherhood program.—Title I of the Per-
12	sonal Responsibility and Work Opportunity Rec-
13	onciliation Act of 1996 (Public Law 104–193) is
14	amended by adding at the end the following:
15	"SEC. 117. FATHERHOOD PROGRAM.
16	"(a) In General.—Title IV (42 U.S.C. 601–679b) is
17	amended by inserting after part B the following:
18	"'PART C—RESPONSIBLE FATHERHOOD
19	PROGRAM
20	"'SEC. 441. RESPONSIBLE FATHERHOOD GRANTS.
21	"'(a) Grants to States To Conduct Demonstra-
22	TION PROGRAMS.—
23	"'(1) Authority to award grants.—
24	"'(A) In General.—The Secretary shall
25	award grants to up to 10 eligible States to con-

1	duct demonstration programs to carry out the
2	purposes described in paragraph (2).
3	"'(B) Eligible state.—For purposes of
4	this subsection, an eligible State is a State that
5	submits to the Secretary the following:
6	"'(i) Application.—An application
7	for a grant under this subsection, at such
8	time, in such manner, and containing such
9	information as the Secretary may require.
10	"'(ii) State plan that
11	includes the following:
12	"'(I) Project description.—A
13	description of the programs or activi-
14	ties the State will fund under the
15	grant, including a good faith estimate
16	of the number and characteristics of
17	clients to be served under such projects
18	and how the State intends to achieve
19	at least 2 of the purposes described in
20	paragraph (2).
21	"'(II) Coordination efforts.—
22	A description of how the State will co-
23	ordinate and cooperate with State and
24	local entities responsible for carrying
25	out other programs that relate to the

1	purposes intended to be achieved under
2	the demonstration program, including
3	as appropriate, entities responsible for
4	carrying out jobs programs and pro-
5	grams serving children and families.
6	"'(III) Records, reports, and
7	AUDITS.—An agreement to maintain
8	such records, submit such reports, and
9	cooperate with such reviews and audits
10	as the Secretary finds necessary for
11	purposes of oversight of the demonstra-
12	$tion\ program.$
13	"'(iii) Certifications.—The fol-
14	lowing certifications from the chief executive
15	officer of the State:
16	"'(I) A certification that the State
17	will use funds provided under the
18	grant to promote at least 2 of the pur-
19	poses described in paragraph (2).
20	"'(II) A certification that the
21	State will return any unused funds to
22	the Secretary in accordance with the
23	reconciliation process under paragraph
24	(5).

"'(III) A certification that t	he
funds provided under the grant will	be
used for programs and activities th	at
target low-income participants ar	nd
that not less than 50 percent of t	he
participants in each program or acti	iv-
ity funded under the grant shall be-	—
"'(aa) parents of a child w	ho
is, or within the past 24 mont	hs
has been, a recipient of assistan	ice
or services under a State progra	ım
funded under part A, D, or E	of
this title, title XIX, or the Fo	od
Stamp Act of 1977; or	
"'(bb) parents, including of	an
expectant parent or a marri	ied
parent, whose income (after a	ıd-
justment for court-ordered chi	ild
support paid or received) does n	iot
exceed 150 percent of the pover	ty
line.	
"'(IV) A certification that t	he
State has or will comply with the r	re-
quirements of paragraph (4).	

1	"'(V) A certification that funds
2	provided to a State under this sub-
3	section shall not be used to supplement
4	or supplant other Federal, State, or
5	local funds that are used to support
6	programs or activities that are related
7	to the purposes described in paragraph
8	(2).
9	"'(C) Preferences and factors of con-
10	SIDERATION.—In awarding grants under this
11	subsection, the Secretary shall take into consider-
12	ation the following:
13	"'(i) Diversity of entities used to
14	CONDUCT PROGRAMS AND ACTIVITIES.—The
15	Secretary shall, to the extent practicable,
16	achieve a balance among the eligible States
17	awarded grants under this subsection with
18	respect to the size, urban or rural location,
19	and employment of differing or unique
20	methods of the entities that the eligible
21	States intend to use to conduct the pro-
22	grams and activities funded under the
23	grants.
24	"'(ii) Priority for certain
25	STATES.—The Secretary shall give priority

1	to awarding grants to eligible States that
2	have—
3	"'(I) demonstrated progress in
4	achieving at least 1 of the purposes de-
5	scribed in paragraph (2) through pre-
6	vious State initiatives; or
7	"'(II) demonstrated need with re-
8	spect to reducing the incidence of out-
9	of-wedlock births or absent fathers in
10	$the\ State.$
11	"'(2) Purposes.—The purposes described in
12	this paragraph are the following:
13	"'(A) Promoting responsible father-
14	HOOD THROUGH MARRIAGE PROMOTION.—To
15	promote marriage or sustain marriage through
16	activities such as counseling, mentoring, dissemi-
17	nating information about the benefits of mar-
18	riage and 2-parent involvement for children, en-
19	hancing relationship skills, education regarding
20	how to control aggressive behavior, disseminating
21	information on the causes of domestic violence
22	and child abuse, marriage preparation pro-
23	grams, premarital counseling, marital inven-
24	tories, skills-based marriage education, financial
25	planning seminars, including improving a fam-

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ily's ability to effectively manage family business affairs by means such as education, counseling, or mentoring on matters related to family finances, including household management, budgeting, banking, and handling of financial transactions and home maintenance, and divorce education and reduction programs, including mediation and counseling.

"'(B) Promoting responsible father-Hood through parenting promote responsible parenting through activities such as counseling, mentoring, and mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, and other methods.

"'(C) Promoting responsible father-Hood through fostering economic sta-Bility of fathers.—To foster economic stability by helping fathers improve their economic status by providing activities such as work first services, job search, job training, subsidized employment, job retention, job enhancement, and encouraging education, including career-advancing education, dissemination of employment ma-

1	terials, coordination with existing employment
2	services such as welfare-to-work programs, refer-
3	rals to local employment training initiatives,
4	and other methods.
5	"'(3) Restriction on use of funds.—No
6	funds provided under this subsection may be used for
7	costs attributable to court proceedings regarding mat-
8	ters of child visitation or custody, or for legislative
9	advocacy.
10	"'(4) Requirements for receipt of
11	FUNDS.—A State may not be awarded a grant under
12	this section unless the State, as a condition of receiv-
13	ing funds under such a grant—
14	"'(A) consults with experts in domestic vio-
15	lence or with relevant community domestic vio-
16	lence coalitions in developing such programs or
17	activities; and
18	"'(B) describes in the application for a
19	grant under this section—
20	"'(i) how the programs or activities
21	proposed to be conducted will address, as
22	appropriate, issues of domestic violence; and
23	"'(ii) what the State will do, to the ex-
24	tent relevant, to ensure that participation
25	in such programs or activities is voluntary,

1	and to inform potential participants that
2	their involvement is voluntary.
3	"'(5) Reconciliation process.—
4	"'(A) 3-year availability of amounts
5	Allotted.—Each eligible State that receives a
6	grant under this subsection for a fiscal year shall
7	return to the Secretary any unused portion of
8	the grant for such fiscal year not later than the
9	last day of the second succeeding fiscal year, to-
10	gether with any earnings on such unused por-
11	tion.
12	"'(B) Procedure for redistribution.—
13	The Secretary shall establish an appropriate
14	procedure for redistributing to eligible States
15	that have expended the entire amount of a grant
16	made under this subsection for a fiscal year any
17	amount that is returned to the Secretary by eli-
18	gible States under subparagraph (A).
19	"(6) Amount of grants.—
20	"'(A) In general.—Subject to subpara-
21	graph (B), the amount of each grant awarded
22	under this subsection shall be an amount suffi-
23	cient to implement the State plan submitted
24	$under\ paragraph\ (1)(B)(ii).$

1	"'(B) MINIMUM AMOUNTS.—No eligible
2	State shall—
3	"'(i) in the case of the District of Co-
4	lumbia or a State other than the Common-
5	wealth of Puerto Rico, the United States
6	Virgin Islands, Guam, American Samoa,
7	and the Commonwealth of the Northern
8	Mariana Islands, receive a grant for a fiscal
9	year in an amount that is less than
10	\$1,000,000; and
11	"'(ii) in the case of the Commonwealth
12	of Puerto Rico, the United States Virgin Is-
13	lands, Guam, American Samoa, and the
14	Commonwealth of the Northern Mariana Is-
15	lands, receive a grant for a fiscal year in
16	an amount that is less than \$500,000.
17	"'(7) Definition of State.—In this subsection
18	the term 'State' means each of the 50 States, the Dis-
19	trict of Columbia, the Commonwealth of Puerto Rico,
20	the United States Virgin Islands, Guam, American
21	Samoa, and the Commonwealth of the Northern Mar-
22	iana Islands.
23	"(8) Authorization of Appropriations.—
24	There is authorized to be appropriated \$20,000,000
25	for each of fiscal years 2004 through 2008 for pur-

1	poses of making grants to eligible States under this
2	subsection.
3	"'(b) Grants to Eligible Entities To Conduct
4	Demonstration Programs.—
5	"'(1) Authority to Award grants.—
6	"'(A) In General.—The Secretary shall
7	award grants to eligible entities to conduct dem-
8	onstration programs to carry out the purposes
9	described in subsection (a)(2).
10	"'(B) Eligible entity.—For purposes of
11	this subsection, an eligible entity is a local gov-
12	ernment, local public agency, community-based
13	or nonprofit organization, or private entity, in-
14	cluding any charitable or faith-based organiza-
15	tion, or an Indian tribe (as defined in section
16	419(4)), that submits to the Secretary the fol-
17	lowing:
18	"'(i) Application.—An application
19	for a grant under this subsection, at such
20	time, in such manner, and containing such
21	information as the Secretary may require.
22	"'(ii) Project description.—A de-
23	scription of the programs or activities the
24	entity intends to carry out with funds pro-
25	vided under the grant, including a good

1	faith estimate of the number and character-
2	istics of clients to be served under such pro-
3	grams or activities and how the entity in-
4	tends to achieve at least 2 of the purposes
5	described in subsection $(a)(2)$.
6	"'(iii) Coordination efforts.—A
7	description of how the entity will coordinate
8	and cooperate with State and local entities
9	responsible for carrying out other programs
10	that relate to the purposes intended to be
11	achieved under the demonstration program,
12	including as appropriate, entities respon-
13	sible for carrying out jobs programs and
14	programs serving children and families.
15	"'(iv) Records, reports, and au-
16	DITS.—An agreement to maintain such
17	records, submit such reports, and cooperate
18	with such reviews and audits as the Sec-
19	retary finds necessary for purposes of over-
20	sight of the demonstration program.
21	"'(v) Certifications.—The following
22	certifications:
23	"'(I) A certification that the enti-
24	ty will use funds provided under the

1	grant to promote at least 2 of the pur-
2	poses described in subsection $(a)(2)$.
3	"'(II) A certification that the en-
4	tity will return any unused funds to
5	the Secretary in accordance with the
6	reconciliation process under paragraph
7	(3).
8	"'(III) A certification that the
9	funds provided under the grant will be
10	used for programs and activities that
11	target low-income participants and
12	that not less than 50 percent of the
13	participants in each program or activ-
14	ity funded under the grant shall be—
15	"'(aa) parents of a child who
16	is, or within the past 24 months
17	has been, a recipient of assistance
18	or services under a State program
19	funded under part A, D, or E of
20	this title, title XIX, or the Food
21	Stamp Act of 1977; or
22	"'(bb) parents, including an
23	expectant parent or a married
24	parent, whose income (after ad-
25	justment for court-ordered child

1	support paid or received) does not
2	exceed 150 percent of the poverty
3	line.
4	"'(IV) A certification that the en-
5	tity has or will comply with the re-
6	quirements of paragraph (3).
7	"'(V) A certification that funds
8	provided to an entity under this sub-
9	section shall not be used to supplement
10	or supplant other Federal, State, or
11	local funds provided to the entity that
12	are used to support programs or activi-
13	ties that are related to the purposes de-
14	scribed in subsection $(a)(2)$.
15	"'(C) Preferences and factors of con-
16	SIDERATION.—In awarding grants under this
17	subsection, the Secretary shall, to the extent
18	practicable, achieve a balance among the eligible
19	entities awarded grants under this subsection
20	with respect to the size, urban or rural location,
21	and employment of differing or unique methods
22	of the entities.
23	"'(2) Restriction on use of funds.—No
24	funds provided under this subsection may be used for
25	costs attributable to court proceedings regarding mat-

1	ters of child visitation or custody, or for legislative
2	advocacy.
3	"'(3) Requirements for use of funds.—The
4	Secretary may not award a grant under this sub-
5	section to an eligible entity unless the entity, as a
6	condition of receiving funds under such a grant—
7	"'(A) consults with experts in domestic vio-
8	lence or with relevant community domestic vio-
9	lence coalitions in developing the programs or
10	activities to be conducted with such funds
11	awarded under the grant; and
12	"'(B) describes in the application for a
13	grant under this section—
14	"'(i) how the programs or activities
15	proposed to be conducted will address, as
16	appropriate, issues of domestic violence; and
17	"'(ii) what the entity will do, to the
18	extent relevant, to ensure that participation
19	in such programs or activities is voluntary,
20	and to inform potential participants that
21	their involvement is voluntary.
22	"'(4) Reconciliation process.—
23	"'(A) 3-YEAR AVAILABILITY OF AMOUNTS
24	ALLOTTED.—Each eligible entity that receives a
25	arant under this subsection for a fiscal year shall

1	return to the Secretary any unused portion of
2	the grant for such fiscal year not later than the
3	last day of the second succeeding fiscal year, to-
4	gether with any earnings on such unused por-
5	tion.
6	"'(B) Procedure for redistribution.—
7	The Secretary shall establish an appropriate
8	procedure for redistributing to eligible entities
9	that have expended the entire amount of a grant
10	made under this subsection for a fiscal year any
11	amount that is returned to the Secretary by eli-
12	gible entities under subparagraph (A).
13	"'(5) Authorization of Appropriations.—
14	There is authorized to be appropriated \$30,000,000
15	for each of fiscal years 2004 through 2008 for pur-
16	poses of making grants to eligible entities under this
17	subsection.
18	"'SEC. 442. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE
19	FATHERHOOD PROGRAMS.
20	"'(a) Media Campaign National Clearinghouse
21	for Responsible Fatherhood.—
22	"'(1) In general.—From any funds appro-
23	priated under subsection (c), the Secretary shall con-
24	tract with a nationally recognized, nonprofit father-

1	hood promotion organization described in subsection
2	(b) to—
3	"'(A) develop, promote, and distribute to
4	interested States, local governments, public agen-
5	cies, and private entities a media campaign that
6	encourages the appropriate involvement of par-
7	ents in the life of any child, with a priority for
8	programs that specifically address the issue of re-
9	sponsible fatherhood; and
10	"'(B) develop a national clearinghouse to
11	assist States and communities in efforts to pro-
12	mote and support marriage and responsible fa-
13	therhood by collecting, evaluating, and making
14	available (through the Internet and by other
15	means) to other States information regarding the
16	media campaigns established under section 443.
17	"'(2) Coordination with domestic violence
18	PROGRAMS.—The Secretary shall ensure that the na-
19	tionally recognized nonprofit fatherhood promotion
20	organization with a contract under paragraph (1) co-
21	ordinates the media campaign developed under sub-
22	paragraph (A) of such paragraph and the national
23	clearinghouse developed under subparagraph (B) of
24	such paragraph with national, State, or local domes-
25	tic violence programs.

1	"'(b) Nationally Recognized, Nonprofit Father-
2	HOOD PROMOTION ORGANIZATION DESCRIBED.—The na-
3	tionally recognized, nonprofit fatherhood promotion organi-
4	zation described in this subsection is an organization that
5	has at least 4 years of experience in—
6	"'(1) designing and disseminating a national
7	public education campaign, as evidenced by the pro-
8	duction and successful placement of television, radio,
9	and print public service announcements that promote
10	the importance of responsible fatherhood, a track
11	record of service to Spanish-speaking populations and
12	historically underserved or minority populations, the
13	capacity to fulfill requests for information and a
14	proven history of fulfilling such requests, and a mech-
15	anism through which the public can request addi-
16	tional information about the campaign; and
17	"'(2) providing consultation and training to
18	community-based organizations interested in imple-
19	menting fatherhood outreach, support, or skill devel-
20	opment programs with an emphasis on promoting
21	married fatherhood as the ideal.
22	"'(c) Authorization of Appropriations.—There is
23	authorized to be appropriated \$5,000,000 for each of fiscal
24	years 2004 through 2008 to carry out this section.

1	"SEC. 443. BLOCK GRANTS TO STATES TO ENCOURAGE
2	MEDIA CAMPAIGNS.
3	"'(a) Definitions.—In this section:
4	"'(1) Broadcast advertisement.—The term
5	'broadcast advertisement' means a communication in-
6	tended to be aired by a television or radio broadcast
7	station, including a communication intended to be
8	transmitted through a cable channel.
9	"'(2) Child at risk.—The term 'child at risk'
10	means each young child whose family income does not
11	exceed the poverty line.
12	"'(3) Poverty line.—The term 'poverty line'
13	has the meaning given such term in section 673(2) of
14	the Community Services Block Grant Act (42 U.S.C.
15	9902(2)), including any revision required by such sec-
16	tion, that is applicable to a family of the size in-
17	volved.
18	"'(4) Printed or other advertisement.—
19	The term 'printed or other advertisement' includes
20	any communication intended to be distributed
21	through a newspaper, magazine, outdoor advertising
22	facility, mailing, or any other type of general public
23	advertising, but does not include any broadcast adver-
24	tisement.
25	"'(5) State.—The term 'State' means each of
26	the 50 States, the District of Columbia, the Common-

1	wealth of Puerto Rico, the United States Virgin Is-
2	lands, Guam, American Samoa, and the Common-
3	wealth of the Northern Mariana Islands.
4	"'(6) Young Child.—The term 'young child'
5	means an individual under age 5.
6	"'(b) State Certifications.—Not later than Octo-
7	ber 1 of each of fiscal year for which a State desires to
8	receive an allotment under this section, the chief executive
9	officer of the State shall submit to the Secretary a certifi-
10	cation that the State shall—
11	"'(1) use such funds to promote the formation
12	and maintenance of healthy 2-parent married fami-
13	lies, strengthen fragile families, and promote respon-
14	sible fatherhood through media campaigns conducted
15	in accordance with the requirements of subsection (d);
16	"'(2) return any unused funds to the Secretary
17	in accordance with the reconciliation process under
18	subsection (e); and
19	"'(3) comply with the reporting requirements
20	under subsection (f).
21	"'(c) Payments to States.—For each of fiscal years
22	2004 through 2008, the Secretary shall pay to each State
23	that submits a certification under subsection (b), from any
24	funds appropriated under subsection (i), for the fiscal year

1	an amount equal to the amount of the allotment determined
2	for the fiscal year under subsection (g).
3	"'(d) Establishment of Media Campaigns.—Each
4	State receiving an allotment under this section for a fiscal
5	year shall use the allotment to conduct media campaigns
6	as follows:
7	"'(1) Conduct of media campaigns.—
8	"'(A) Radio and television media cam-
9	PAIGNS.—
10	"'(i) Production of Broadcast ad-
11	Vertisements.—At the option of the State,
12	to produce broadcast advertisements that
13	promote the formation and maintenance of
14	healthy 2-parent married families, strength-
15	en fragile families, and promote responsible
16	fatherhood.
17	"'(ii) Airtime Challenge Pro-
18	GRAM.—At the option of the State, to estab-
19	lish an airtime challenge program under
20	which the State may spend amounts allotted
21	under this section to purchase time from a
22	broadcast station to air a broadcast adver-
23	tisement produced under clause (i), but only
24	if the State obtains an amount of time of
25	the same class and during a comparable pe-

1	riod to air the advertisement using non-
2	$Federal\ contributions.$
3	"'(B) Other media campaigns.—At the
4	option of the State, to conduct a media cam-
5	paign that consists of the production and dis-
6	tribution of printed or other advertisements that
7	promote the formation and maintenance of
8	healthy 2-parent married families, strengthen
9	fragile families, and promote responsible father-
10	hood.
11	"'(2) Administration of media campaigns.—
12	A State may administer media campaigns funded
13	under this section directly or through grants, con-
14	tracts, or cooperative agreements with public agencies,
15	local governments, or private entities, including char-
16	itable and faith-based organizations.
17	"(3) Consultation with domestic violence
18	ASSISTANCE CENTERS.—In developing broadcast and
19	printed advertisements to be used in the media cam-
20	paigns conducted under paragraph (1), the State or
21	other entity administering the campaign shall consult
22	with representatives of State and local domestic vio-
23	lence centers.
24	"(4) Non-federal contributions.—In this
25	section the term 'non-Federal contributions' includes

1	contributions by the State and by public and private
2	entities. Such contributions may be in cash or in
3	kind. Such term does not include any amounts pro-
4	vided by the Federal Government, or services assisted
5	or subsidized to any significant extent by the Federal
6	Government, or any amount expended by a State be-
7	fore October 1, 2003.
8	"'(e) Reconciliation Process.—
9	"(1) 3-YEAR AVAILABILITY OF AMOUNTS ALLOT-
10	TED.—Each State that receives an allotment under
11	this section shall return to the Secretary any unused
12	portion of the amount allotted to a State for a fiscal
13	year not later than the last day of the second suc-
14	ceeding fiscal year together with any earnings on such
15	unused portion.
16	"(2) Procedure for redistribution of un-
17	USED ALLOTMENTS.—The Secretary shall establish an
18	appropriate procedure for redistributing to States
19	that have expended the entire amount allotted under
20	this section any amount that is—
21	"'(A) returned to the Secretary by States
22	under paragraph (1); or
23	"'(B) not allotted to a State under this sec-
24	tion because the State did not submit a certifi-

1	cation under subsection (b) by October 1 of a fis-
2	cal year.
3	"'(f) Reporting Requirements.—
4	"(1) Monitoring and Evaluation.—Each
5	State receiving an allotment under this section for a
6	fiscal year shall monitor and evaluate the media cam-
7	paigns conducted using funds made available under
8	this section in such manner as the Secretary, in con-
9	sultation with the States, determines appropriate.
10	"(2) Annual reports.—Not less frequently
11	than annually, each State receiving an allotment
12	under this section for a fiscal year shall submit to the
13	Secretary reports on the media campaigns conducted
14	using funds made available under this section at such
15	time, in such manner, and containing such informa-
16	tion as the Secretary may require.
17	"'(g) Amount of Allotments.—
18	"(1) In general.—Except as provided in
19	paragraph (2), of the amount appropriated for the
20	purpose of making allotments under this section for a
21	fiscal year, the Secretary shall allot to each State that
22	submits a certification under subsection (b) for the
23	fiscal year an amount equal to the sum of—
24	"'(A) the amount that bears the same ratio
25	to 50 percent of such funds as the number of

1	young children in the State (as determined by
2	the Secretary based on the most current reliable
3	data available) bears to the number of such chil-
4	dren in all States; and
5	"'(B) the amount that bears the same ratio
6	to 50 percent of such funds as the number of
7	children at risk in the State (as determined by
8	the Secretary based on the most current reliable
9	data available) bears to the number of such chil-
10	dren in all States.
11	"(2) Minimum allotments.—No allotment for
12	a fiscal year under this section shall be less than—
13	"'(A) in the case of the District of Colum-
14	bia or a State other than the Commonwealth of
15	Puerto Rico, the United States Virgin Islands,
16	Guam, American Samoa, and the Common-
17	wealth of the Northern Mariana Islands, 1 per-
18	cent of the amount appropriated for the fiscal
19	year under subsection (i); and
20	"'(B) in the case of the Commonwealth of
21	Puerto Rico, the United States Virgin Islands,
22	Guam, American Samoa, and the Common-
23	wealth of the Northern Mariana Islands, 0.5 per-
24	cent of such amount.

1	"'(3) Pro rata reductions.—The Secretary
2	shall make such pro rata reductions to the allotments
3	determined under this subsection as are necessary to
4	comply with the requirements of paragraph (2).
5	"'(h) EVALUATION.—
6	"'(1) In General.—The Secretary shall conduct
7	an evaluation of the impact of the media campaigns
8	funded under this section.
9	"'(2) Report.—Not later than December 31,
10	2006, the Secretary shall report to Congress the re-
11	sults of the evaluation under paragraph (1).
12	"'(3) Funding.—Of the amount appropriated
13	under subsection (i) for fiscal year 2004, \$1,000,000
14	of such amount shall be transferred and made avail-
15	able for purposes of conducting the evaluation re-
16	quired under this subsection, and shall remain avail-
17	able until expended.
18	"'(i) Authorization of Appropriations.—There is
19	authorized to be appropriated \$20,000,000 for each of fiscal
20	years 2004 through 2008 for purposes of making allotments
21	to States under this section.'.
22	"(b) Inapplicability of Effective Date Provi-
23	SIONS.—Section 116 shall not apply to the amendment
24	made by subsection (a) of this section.".

1	(b) Clerical Amendment.—Section 2 of such Act is
2	amended in the table of contents by inserting after the item
3	relating to section 116 the following new item:
	"Sec. 117. Responsible fatherhood program.".
4	SEC. 119. ADDITIONAL GRANTS.
5	(a) Grants To Capitalize and Develop Sustain-
6	ABLE SOCIAL SERVICES.—Section 403(a) (42 U.S.C.
7	603(a)) is amended by adding at the end the following:
8	"(6) Grants to capitalize and develop sus-
9	TAINABLE SOCIAL SERVICES.—
10	"(A) Authority to Award Grants.—The
11	Secretary may award grants to entities for the
12	purpose of capitalizing and developing the role of
13	sustainable social services that are critical to the
14	success of moving recipients of assistance under
15	a State program funded under this part to work.
16	"(B) Application.—
17	"(i) In general.—An entity desiring
18	a grant under this paragraph shall submit
19	an application to the Secretary, at such
20	time, in such manner, and, subject to clause
21	(ii), containing such information as the
22	Secretary may require.
23	"(ii) Strategy for generation of
24	REVENUE.—An application for a grant
25	under this paragraph shall include a de-

1	scription of the capitalization strategy that
2	the entity intends to follow to develop a pro-
3	gram that generates its own source of ongo-
4	ing revenue while assisting recipients of as-
5	sistance under a State program funded
6	under this part.
7	"(C) Use of funds.—
8	"(i) In general.—Funds made avail-
9	able under a grant made under this para-
10	graph may be used for the acquisition, con-
11	struction, or renovation of facilities or
12	buildings.
13	"(ii) General rules governing use
14	OF FUNDS.—The rules of section 404, other
15	than subsection (b) of that section, shall not
16	apply to a grant made under this para-
17	graph.
18	"(D) Evaluation and report.—The Sec-
19	retary shall, by grant, contract, or interagency
20	agreement, conduct an evaluation of the pro-
21	grams developed with grants awarded under this
22	paragraph and shall submit a report to Congress
23	on the results of such evaluation.
24	"(E) Authorization of Appropria-
25	Tions.—Out of any money in the Treasury of

1	the United States not otherwise appropriated,
2	there is appropriated to the Secretary for the
3	purpose of carrying out this paragraph,
4	\$40,000,000 for each of fiscal years 2004 through
5	2008.".
6	(b) Grants for Low-Income Car Ownership Pro-
7	GRAMS.—Section 403(a) (42 U.S.C. 603(a)), as amended
8	by subsection (a), is further amended by adding at the end
9	the following:
10	"(7) Grants for low-income car ownership
11	PROGRAMS.—
12	"(A) Purposes.—The purposes of this
13	paragraph are to—
14	"(i) assist low-income families with
15	children obtain dependable, affordable auto-
16	mobiles to improve their employment oppor-
17	tunities and access to training; and
18	"(ii) provide incentives to States, In-
19	dian tribes, localities, and nonprofit entities
20	to develop and administer programs that
21	provide assistance with automobile owner-
22	ship for low-income families.
23	"(B) Definitions.—In this paragraph:
24	"(i) Locality.—The term 'locality'
25	means a municipality that does not admin-

1	ister a State program funded under this
2	part.
3	"(ii) Low-income family with chil-
4	DREN.—The term low-income family with
5	children' means a household that is eligible
6	for benefits or services funded under the
7	State program funded under this part or
8	under a program funded with qualified
9	State expenditures (as defined in section
10	409(a)(7)(B)(i)).
11	"(iii) Nonprofit entity.—The term
12	'nonprofit entity' means a school, local
13	agency, organization, or institution owned
14	and operated by 1 or more nonprofit cor-
15	porations or associations, no part of the net
16	earnings of which inures, or may lawfully
17	inure, to the benefit of any private share-
18	holder or individual.
19	"(C) Authority to Award Grants.—The
20	Secretary may award grants to States, counties,
21	localities, Indian tribes, and nonprofit entities to
22	promote improving access to dependable, afford-
23	able automobiles by low-income families with
24	children.

1	"(D) Grant approval criteria.—The
2	Secretary shall establish criteria for approval of
3	an application for a grant under this paragraph
4	that include consideration of—
5	"(i) the extent to which the proposal, if
6	funded, is likely to improve access to train-
7	ing and employment opportunities and
8	child care services by low-income families
9	with children by means of car ownership;
10	"(ii) the level of innovation in the ap-
11	plicant's grant proposal; and
12	"(iii) any partnerships between the
13	public and private sector in the applicant's
14	grant proposal.
15	"(E) Use of funds.—
16	"(i) In general.—A grant awarded
17	under this paragraph shall be used to ad-
18	minister programs that assist low-income
19	families with children with dependable
20	automobile ownership, and maintenance of,
21	or insurance for, the purchased automobile.
22	"(ii) Supplement not supplant.—
23	Funds provided to a State, Indian tribe,
24	county, or locality under a grant awarded
25	under this paragraph shall be used to sup-

1	plement and not supplant other State, coun-
2	ty, or local public funds expended for car
3	ownership programs.
4	"(iii) General rules governing
5	USE OF FUNDS.—The rules of section 404,
6	other than subsection (b) of that section,
7	shall not apply to a grant made under this
8	paragraph.
9	"(F) Application.—Each applicant desir-
10	ing a grant under this paragraph shall submit
11	an application to the Secretary at such time, in
12	such manner, and accompanied by such informa-
13	tion as the Secretary may reasonably require.
14	"(G) Reversion of funds.—Any funds
15	not expended by a grantee within 3 years after
16	the date the grant is awarded under this para-
17	graph shall be available for redistribution among
18	other grantees in such manner and amount as
19	the Secretary may determine, unless the Sec-
20	retary extends by regulation the time period to
21	expend such funds.
22	"(H) Limitation on administrative
23	costs of the secretary.—Not more than an
24	amount equal to 5 percent of the funds appro-
25	priated to make grants under this paragraph for

1	a fiscal year shall be expended for administrative
2	costs of the Secretary in carrying out this para-
3	graph.
4	"(I) Evaluation.—The Secretary shall, by
5	grant, contract, or interagency agreement, con-
6	duct an evaluation of the programs administered
7	with grants awarded under this paragraph.
8	``(J) Authorization of Appropria-
9	TIONS.—There is authorized to be appropriated
10	to the Secretary to make grants under this para-
11	graph, \$25,000,000 for each of fiscal years 2004
12	through 2008.".
13	SEC. 120. TECHNICAL CORRECTIONS.
14	(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended
15	by inserting a comma after "appropriate".
16	(b) Section $411(a)(1)(A)(ii)(III)$ (42 U.S.C.
17	611(a)(1)(A)(ii)(III)) is amended by striking the last close
18	parenthesis.
19	(c) Section $413(j)(2)(A)$ (42 U.S.C. $613(j)(2)(A)$) is
20	amended by striking "section" and inserting "sections".
21	(d)(1) Section 413 (42 U.S.C. 613) is amended by
22	striking subsection (g) and redesignating subsections (h)
23	through (j) and subsections (k) and (l) (as added by sections
24	112(c) and 115(a) of this Act, respectively) as subsections
25	(g) through (k), respectively.

1	(2) Each of the following provisions is amended by
2	striking "413(j)" and inserting "413(i)":
3	(A) Section $403(a)(5)(A)(ii)(III)$ (42 U.S.C.
4	603(a)(5)(A)(ii)(III)).
5	(B) Section $403(a)(5)(F)$ (42 U.S.C.
6	603(a)(5)(F)).
7	(C) Section $403(a)(5)(G)(ii)$ (42 U.S.C.
8	603(a)(5)(G)(ii)).
9	(D) Section $412(a)(3)(B)(iv)$ (42 U.S.C.
10	612(a)(3)(B)(iv)).
11	TITLE II—ABSTINENCE
12	EDUCATION
13	SEC. 201. EXTENSION OF ABSTINENCE EDUCATION PRO-
14	GRAM.
15	(a) Extension of Appropriations.—Section 510(d)
16	(42 U.S.C. 710(d)), as amended by section 6 of the Welfare
17	Reform Extension Act of 2003 (Public Law 108–040, 117
18	Stat. 837), is amended by striking "2003" and inserting
19	"2008".
20	(b) Allotment of Funds.—Section 510(a) (42
21	U.S.C. 710(a)) is amended—
22	(1) in the matter preceding paragraph (1), by
23	striking "an application for the fiscal year under sec-
24	tion 505(a)" and inserting ", for the fiscal year, an
25	application under section 505(a), and an application

1	under this section (in such form and meeting such
2	terms and conditions as determined appropriate by
3	the Secretary),"; and
4	(2) in paragraph (2), to read as follows:
5	"(2) the percentage described in section
6	502(c)(1)(B)(ii) that would be determined for the
7	State under section 502(c) if such determination took
8	into consideration only those States that transmitted
9	both such applications for such fiscal year.".
10	(c) Reallotment of Funds.—Section 510 (42)
11	U.S.C. 710(a)) is amended by adding at the end the fol-
12	lowing:
13	"(e)(1) With respect to allotments under subsection (a)
14	for fiscal year 2004 and subsequent fiscal years, the amount
15	of any allotment to a State for a fiscal year that the Sec-
16	retary determines will not be required to carry out a pro-
17	gram under this section during such fiscal year or the suc-
18	ceeding fiscal year shall be available for reallotment from
19	time to time during such fiscal years on such dates as the
20	Secretary may fix, to other States that the Secretary deter-
21	mines—
22	"(A) require amounts in excess of amounts pre-
23	viously allotted under subsection (a) to carry out a
24	program under this section; and

1	"(B) will use such excess amounts during such
2	fiscal years.
3	"(2) Reallotments under paragraph (1) shall be made
4	on the basis of such States' applications under this section,
5	after taking into consideration the population of low-in-
6	come children in each such State as compared with the pop-
7	ulation of low-income children in all such States with re-
8	spect to which a determination under paragraph (1) has
9	been made by the Secretary.
10	"(3) Any amount reallotted under paragraph (1) to
11	a State is deemed to be part of its allotment under sub-
12	section (a).".
13	(d) Effective Date.—The amendments made by this
14	section shall be effective with respect to the program under
15	section 510 for fiscal years 2004 and succeeding fiscal years.
16	TITLE III—CHILD SUPPORT
17	SEC. 301. DISTRIBUTION OF CHILD SUPPORT COLLECTED
18	BY STATES ON BEHALF OF CHILDREN RE-
19	CEIVING CERTAIN WELFARE BENEFITS.
20	(a) Modification of Rule Requiring Assignment
21	OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING
22	TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amend-
23	ed to read as follows:
24	"(3) No assistance for families not assign-
25	ing certain support rights to the state.—A

1	State to which a grant is made under section 403
2	shall require, as a condition of paying assistance to
3	a family under the State program funded under this
4	part, that a member of the family assign to the State
5	any right the family member may have (on behalf of
6	the family member or of any other person for whom
7	the family member has applied for or is receiving
8	such assistance) to support from any other person,
9	not exceeding the total amount of assistance so paid
10	to the family, which accrues during the period that
11	the family receives assistance under the program.".
12	(b) Increasing Child Support Payments to Fami-
13	LIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION
14	Rules.—
15	(1) Distribution rules.—
16	(A) In General.—Section 457(a) (42
17	U.S.C. 657(a)) is amended to read as follows:
18	"(a) In General.—Subject to subsections (d) and (e),
19	the amounts collected on behalf of a family as support by
20	a State pursuant to a plan approved under this part shall
21	be distributed as follows:
22	"(1) Families receiving assistance.—In the
23	case of a family receiving assistance from the State,
24	the State shall—

1	"(A) pay to the Federal Government the
2	Federal share of the amount collected, subject to
3	paragraph (3)(A);
4	"(B) retain, or pay to the family, the State
5	share of the amount collected, subject to para-
6	graph (3)(B); and
7	"(C) pay to the family any remaining
8	amount.
9	"(2) Families that formerly received as-
10	SISTANCE.—In the case of a family that formerly re-
11	ceived assistance from the State:
12	"(A) Current support.—To the extent
13	that the amount collected does not exceed the cur-
14	rent support amount, the State shall pay the
15	amount to the family.
16	"(B) Arrearages.—Except as otherwise
17	provided in an election made under section
18	454(34), to the extent that the amount collected
19	exceeds the current support amount, the State—
20	"(i) shall first pay to the family the
21	excess amount, to the extent necessary to
22	satisfy support arrearages not assigned pur-
23	suant to section $408(a)(3)$;

1	"(ii) if the amount collected exceeds the
2	amount required to be paid to the family
3	under clause (i), shall—
4	"(I) pay to the Federal Govern-
5	ment the Federal share of the excess
6	amount described in this clause, subject
7	to paragraph (3)(A); and
8	"(II) retain, or pay to the family,
9	the State share of the excess amount
10	described in this clause, subject to
11	paragraph (3)(B); and
12	"(iii) shall pay to the family any re-
13	maining amount.
14	"(3) Limitations.—
15	"(A) FEDERAL REIMBURSEMENTS.—The
16	total of the amounts paid by the State to the
17	Federal Government under paragraphs (1) and
18	(2) of this subsection with respect to a family
19	shall not exceed the Federal share of the amount
20	assigned with respect to the family pursuant to
21	section $408(a)(3)$.
22	"(B) State reimbursements.—The total
23	of the amounts retained by the State under para-
24	graphs (1) and (2) of this subsection with respect
25	to a family shall not exceed the State share of the

1	amount assigned with respect to the family pur	r•_
2	suant to section $408(a)(3)$.	

- "(4) Families that never received assist-Ance.—In the case of any other family, the State shall pay the amount collected to the family.
- "(5) Families under certain agreements.—
 Notwithstanding paragraphs (1) through (3), in the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), the State shall distribute the amount collected pursuant to the terms of the agreement.
- "(6) STATE FINANCING OPTIONS.—To the extent that the State's share of the amount payable to a family pursuant to paragraph (2)(B) of this subsection exceeds the amount that the State estimates (under procedures approved by the Secretary) would have been payable to the family pursuant to former section 457(a)(2)(B) (as in effect for the State immediately before the date this subsection first applies to the State) if such former section had remained in effect, the State may elect to have the payment considered a qualified State expenditure for purposes of section 409(a)(7).

1	"(7) State option to pass through addi-
2	TIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICI-
3	PATION.—
4	"(A) Families that formerly received
5	Assistance.—Notwithstanding paragraph (2), a
6	State shall not be required to pay to the Federal
7	Government the Federal share of an amount col-
8	lected on behalf of a family that formerly re-
9	ceived assistance from the State to the extent that
10	the State pays the amount to the family.
11	"(B) Families that currently receive
12	ASSISTANCE.—
13	"(i) In General.—Notwithstanding
14	paragraph (1), in the case of a family that
15	receives assistance from the State, a State
16	shall not be required to pay to the Federal
17	Government the Federal share of the ex-
18	cepted portion (as defined in clause (ii)) of
19	any amount collected on behalf of such fam-
20	ily during a month to the extent that—
21	"(I) the State pays the excepted
22	portion to the family; and
23	"(II) the excepted portion is dis-
24	regarded in determining the amount

1	and type of assistance provided to the
2	family under such program.
3	"(ii) Excepted portion defined.—
4	For purposes of this subparagraph, the term
5	'excepted portion' means that portion of the
6	amount collected on behalf of a family dur-
7	ing a month that does not exceed \$400 per
8	month, or in the case of a family that in-
9	cludes 2 or more children, that does not ex-
10	ceed an amount established by the State
11	that is not more than \$600 per month.
12	"(8) States with demonstration waivers.—
13	Notwithstanding the preceding paragraphs, in the
14	case of a State that, on the date of enactment of this
15	paragraph, has had in effect since October 1, 1997, a
16	waiver under section 1115 permitting passthrough
17	payments of child support collections—
18	"(A) the State may continue to distribute
19	such payments to families without regard to the
20	expiration date of such waiver; and
21	"(B) the requirement under paragraph (1)
22	to pay to the Federal Government the Federal
23	share of the amount collected on behalf of a fam-
24	ily shall not apply to the extent that—

1	"(i) the State distributes such amount
2	to the family; and
3	"(ii) such amount is disregarded in de-
4	termining the amount and type of assist-
5	ance paid to the family.".
6	(B) State plan to include election as
7	TO WHICH RULES TO APPLY IN DISTRIBUTING
8	CHILD SUPPORT ARREARAGES COLLECTED ON
9	BEHALF OF FAMILIES FORMERLY RECEIVING AS-
10	SISTANCE.—Section 454 (42 U.S.C. 654) is
11	amended—
12	(i) by striking "and" at the end of
13	paragraph (32);
14	(ii) by striking the period at the end of
15	paragraph (33) and inserting "; and"; and
16	(iii) by inserting after paragraph (33)
17	$the\ following:$
18	"(34) include an election by the State to apply
19	section $457(a)(2)(B)$ of this Act or former section
20	457(a)(2)(B) of this Act (as in effect for the State im-
21	mediately before the date this paragraph first applies
22	to the State) to the distribution of the amounts which
23	are the subject of such sections and, for so long as the
24	State elects to so apply such former section, the
25	amendments made by section 301(d)(1) of the Per-

- sonal Responsibility and Individual Development for
 Everyone Act shall not apply with respect to the
 State, notwithstanding section 301(e) of that Act.".
- 4 (C) APPROVAL OF ESTIMATION PROCE-DURES.—Not later than the date that is 6 5 6 months after the date of enactment of this Act, 7 the Secretary of Health and Human Services, in 8 consultation with the States (as defined for pur-9 poses of part D of title IV of the Social Security 10 Act (42 U.S.C. 651 et seg.)), shall establish the 11 procedures to be used to make the estimate de-12 scribed in section 457(a)(6) of such Act (42) 13 U.S.C. 657(a)(6).
 - (2) CURRENT SUPPORT AMOUNT DEFINED.—Section 457(c) (42 U.S.C. 657(c)) is amended by adding at the end the following:
- "(5) CURRENT SUPPORT AMOUNT.—The term

 'current support amount' means, with respect to

 amounts collected as support on behalf of a family,

 the amount designated as the monthly support obliga
 tion of the noncustodial parent in the order requiring

 the support."
- 23 (c) State Option To Discontinue Older Support 24 Assignments.—Section 457(b) (42 U.S.C. 657(b)) is 25 amended to read as follows:

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1	"(b) Continuation of Assignments.—
2	"(1) State option to discontinue pre-1997
3	SUPPORT ASSIGNMENTS.—
4	"(A) In general.—Any rights to support
5	obligations assigned to a State as a condition of
6	receiving assistance from the State under part A
7	and in effect on September 30, 1997 (or such
8	earlier date on or after August 22, 1996, as the
9	State may choose), may remain assigned after
10	such date.
11	"(B) Distribution of amounts after as-
12	SIGNMENT DISCONTINUATION.—If a State chooses
13	to discontinue the assignment of a support obli-
14	gation described in subparagraph (A), the State
15	may treat amounts collected pursuant to such as-
16	signment as if such amounts had never been as-
17	signed and may distribute such amounts to the
18	family in accordance with subsection $(a)(4)$.
19	"(2) State option to discontinue post-1997
20	ASSIGNMENTS.—
21	"(A) In general.—Any rights to support
22	obligations accruing before the date on which a
23	family first receives assistance under part A that
24	are assigned to a State under that part and in

1	effect before the implementation date of this sec-
2	tion may remain assigned after such date.
3	"(B) Distribution of amounts after as-
4	SIGNMENT DISCONTINUATION.—If a State chooses
5	to discontinue the assignment of a support obli-
6	gation described in subparagraph (A), the State
7	may treat amounts collected pursuant to such as-
8	signment as if such amounts had never been as-
9	signed and may distribute such amounts to the
10	family in accordance with subsection (a)(4).".
11	(d) Conforming Amendments.—
12	(1) Section $409(a)(7)(B)(i)$ (42 U.S.C.
13	609(a)(7)(B)(i), as amended by section $103(c)$, is
14	amended—
15	(A) in subclause $(I)(aa)$, by striking
16	"457(a)(1)(B)" and inserting "457(a)(1)"; and
17	(B) by adding at the end the following:
18	"(VI) Portions of Certain
19	CHILD SUPPORT PAYMENTS COLLECTED
20	ON BEHALF OF AND DISTRIBUTED TO
21	FAMILIES NO LONGER RECEIVING AS-
22	sistance.—Any amount paid by a
23	State pursuant to clause (i) or (ii) of
24	section $457(a)(2)(B)$, but only to the
25	extent that the State properly elects

1	under section 457(a)(6) to have the
2	payment considered a qualified State
3	expenditure.".
4	(2) Section 6402(c) of the Internal Revenue Code
5	of 1986 (relating to offset of past-due support against
6	overpayments) is amended—
7	(A) in the first sentence, by striking "the
8	Social Security Act." and inserting "of such
9	Act."; and
10	(B) by striking the third sentence and in-
11	serting the following: "The Secretary shall apply
12	a reduction under this subsection first to an
13	amount certified by the State as past due sup-
14	port under section 464 of the Social Security Act
15	before any other reductions allowed by law.".
16	(e) Effective Date.—
17	(1) In General.—The amendments made by
18	this section shall take effect on October 1, 2007, and
19	shall apply to payments under parts A and D of title
20	IV of the Social Security Act for calendar quarters be-
21	ginning on or after such date, and without regard to
22	whether regulations to implement such amendments
23	(in the case of State programs operated under such
24	part D) are promulaated by such date.

1	(2) State option to accelerate effective
2	DATE.—In addition, a State may elect to have the
3	amendments made by this section apply to the State
4	and to amounts collected by the State (and such pay-
5	ments under parts A and D), on and after such date
6	as the State may select that is after the date of enact-
7	ment of this Act and before October 1, 2007.
8	SEC. 302. MANDATORY REVIEW AND ADJUSTMENT OF
9	CHILD SUPPORT ORDERS FOR FAMILIES RE-
10	CEIVING TANF.
11	(a) In General.—Section $466(a)(10)(A)(i)$ (42)
12	$U.S.C.\ 666(a)(10)(A)(i))$ is amended—
13	(1) by striking "parent, or," and inserting "par-
14	ent or"; and
15	(2) by striking "upon the request of the State
16	agency under the State plan or of either parent,".
17	(b) Effective Date.—The amendments made by sub-
18	section (a) shall take effect on October 1, 2005.
19	SEC. 303. REPORT ON UNDISTRIBUTED CHILD SUPPORT
20	PAYMENTS.
21	Not later than 6 months after the date of enactment
22	of this Act, the Secretary of Health and Human Services
23	shall submit to the Committee on Ways and Means of the
24	House of Representatives and the Committee on Finance
25	of the Senate a report on the procedures that the States use

1	generally to locate custodial parents for whom child support
2	has been collected but not yet distributed. The report shall
3	include an estimate of the total amount of undistributed
4	child support and the average length of time it takes undis-
5	tributed child support to be distributed. To the extent the
6	Secretary deems appropriate, the Secretary shall include in
7	the report recommendations as to whether additional proce-
8	dures should be established at the Federal or State level to
9	expedite the payment of undistributed child support.
10	SEC. 304. USE OF NEW HIRE INFORMATION TO ASSIST IN
11	ADMINISTRATION OF UNEMPLOYMENT COM-
12	PENSATION PROGRAMS.
13	(a) In General.—Section 453(j) (42 U.S.C. 653(j))
14	is amended by adding at the end the following:
15	"(7) Information comparisons and disclo-
16	SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-
17	MENT COMPENSATION PROGRAMS.—
18	"(A) In General.—If, for purposes of ad-
19	ministering an unemployment compensation
20	program under Federal or State law, a State
21	agency responsible for the administration of such
22	program transmits to the Secretary the name
23	and social security account number of an indi-
24	vidual, the Secretary shall disclose to the State
25	agency information on the individual and the

1	individual's employer that is maintained in the
2	National Directory of New Hires, subject to the
3	succeeding provisions of this paragraph.
4	"(B) Condition on disclosure by the
5	Secretary.—The Secretary shall make a disclo-
6	sure under subparagraph (A) only to the extent
7	that the Secretary determines that the disclosure
8	would not interfere with the effective operation of
9	the program under this part.
10	"(C) Use and disclosure of informa-
11	TION BY STATE AGENCIES.—
12	"(i) In general.—A State agency
13	may not use or disclose information pro-
14	vided under this paragraph except for pur-
15	poses of administering a program referred
16	to in subparagraph (A).
17	"(ii) Information security.—A
18	State agency to which information is pro-
19	vided under this paragraph shall have in ef-
20	fect data security and control policies that
21	the Secretary finds adequate to ensure the
22	security of information obtained under this
23	paragraph and to ensure that access to such
24	information is restricted to authorized per-

1	sons for purposes of authorized uses and
2	disclosures.
3	"(iii) Penalty for misuse of infor-
4	MATION.—An officer or employee of a State
5	agency who fails to comply with this sub-
6	paragraph shall be subject to the sanctions
7	under subsection $(l)(2)$ to the same extent as
8	if such officer or employee was an officer or
9	employee of the United States.
10	"(D) Procedural requirements.—A
11	State agency requesting information under this
12	paragraph shall adhere to uniform procedures es-
13	tablished by the Secretary governing information
14	requests and data matching under this para-
15	graph.
16	"(E) Reimbursement of costs.—A State
17	agency shall reimburse the Secretary, in accord-
18	ance with subsection $(k)(3)$, for the costs incurred
19	by the Secretary in furnishing the information
20	requested under this paragraph.".
21	(b) Effective Date.—The amendment made by sub-
22	section (a) shall take effect on October 1, 2004.

1	SEC. 305. DECREASE IN AMOUNT OF CHILD SUPPORT AR-
2	REARAGE TRIGGERING PASSPORT DENIAL.
3	(a) In General.—Section 452(k)(1) (42 U.S.C.
4	652(k)(1)) is amended by striking "\$5,000" and inserting
5	"\$2,500".
6	(b) Conforming Amendment.—Section 454(31) (42
7	U.S.C. 654(31)) is amended by striking "\$5,000" and in-
8	serting "\$2,500".
9	(c) Effective Date.—The amendments made by this
10	section shall take effect on October 1, 2004.
11	SEC. 306. USE OF TAX REFUND INTERCEPT PROGRAM TO
12	COLLECT PAST-DUE CHILD SUPPORT ON BE-
13	HALF OF CHILDREN WHO ARE NOT MINORS.
14	(a) In General.—Section 464 (42 U.S.C. 664) is
15	amended—
16	(1) in subsection (a)(2)(A), by striking "(as that
17	term is defined for purposes of this paragraph under
18	subsection (c))"; and
19	(2) in subsection (c)—
20	(A) in paragraph (1)—
21	(i) by striking "(1) Except as provided
22	in paragraph (2), as used in" and inserting
23	"In"; and
24	(ii) by inserting "(whether or not a
25	minor)" after "a child" each place it ap-
26	pears; and

1	(B) by striking paragraphs (2) and (3) .
2	(b) Effective Date.—The amendments made by sub-
3	section (a) shall take effect on October 1, 2005.
4	SEC. 307. GARNISHMENT OF COMPENSATION PAID TO VET-
5	ERANS FOR SERVICE-CONNECTED DISABIL-
6	ITIES IN ORDER TO ENFORCE OBLIGATIONS.
7	(a) In General.—Section $459(h)(1)(A)(ii)(V)$) (42)
8	U.S.C. 659(h)(1)(A)(ii)(V)) is amended by striking all that
9	follows "Armed Forces" and inserting ", except that such
10	compensation shall not be subject to withholding pursuant
11	to this section for payment of alimony unless the former
12	member to whom it is payable is in receipt of retired or
13	retainer pay and has waived a portion of such pay in order
14	to receive such compensation;".
15	(b) Effective Date.—The amendment made by sub-
16	section (a) shall take effect on October 1, 2005.
17	SEC. 308. IMPROVING FEDERAL DEBT COLLECTION PRAC-
18	TICES.
19	(a) In General.—Section 3716(h)(3) of title 31,
20	United States Code, is amended to read as follows:
21	"(3)(A) Except as provided in subparagraph (B), in
22	applying this subsection with respect to any debt owed to
23	a State, subsection $(c)(3)(A)$ shall not apply.
24	"(B) Subparagraph (A) shall not apply with respect
25	to payments owed to an individual under title II of the

1	Social Security Act, for purposes of an offset under this sec-
2	tion of such payments against past-due support (as defined
3	in section 464(c) of the Social Security Act, without regard
4	to paragraphs (2) and (3) of such section 464(c)) that is
5	being enforced by a State agency administering a program
6	under part D of title IV of that Act.".
7	(b) Effective Date.—The amendment made by sub-
8	section (a) shall take effect on October 1, 2004.
9	SEC. 309. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDA
10	ING.
11	Section 452(j) (42 U.S.C. 652(j)) is amended by insert-
12	ing "or the amount appropriated under this paragraph for
13	fiscal year 2002, whichever is greater" before ", which shall
14	be available".
15	SEC. 310. MAINTENANCE OF FEDERAL PARENT LOCATOR
16	SERVICE FUNDING.
17	Section 453(o) (42 U.S.C. 653(o)) is amended—
18	(1) in the first sentence, by inserting "or the
19	amount appropriated under this paragraph for fiscal
20	year 2002, whichever is greater" before ", which shall
21	be available"; and
22	(2) in the second sentence, by striking "for each
23	of fiscal years 1997 through 2001".

1	SEC. 311. IDENTIFICATION AND SEIZURE OF ASSETS HELD
2	BY MULTISTATE FINANCIAL INSTITUTIONS.
3	(a) Duties of the Secretary.—Section 452(l) (42
4	U.S.C. 652(l)) is amended to read as follows:
5	"(l) Identification and seizure of assets held
6	BY MULTISTATE FINANCIAL INSTITUTIONS.—
7	"(1) In general.—The Secretary, through the
8	Federal Parent Locator Service, is authorized—
9	"(A) to assist State agencies operating pro-
10	grams under this part and financial institutions
11	doing business in 2 or more States in reaching
12	agreements regarding the receipt from such insti-
13	tutions, and the transfer to the State agencies, of
14	information that may be provided pursuant to
15	section $466(a)(17)(A)(i)$ or $469A(a)$;
16	"(B) to perform data matches comparing
17	information from such State agencies and finan-
18	cial institutions entering into such Agreements
19	with respect to individuals owing past-due sup-
20	port; and
21	"(C) to seize assets, held by such financial
22	institutions, of individuals identified through
23	such data matches who owe past-due support,
24	by—
25	"(i) issuing a notice of lien or levy to
26	such financial institutions requiring them

1	to encumber such assets for 30 calendar
2	days and to subsequently transfer such as-
3	sets to the Secretary (except that the Sec-
4	retary shall promptly release such lien or
5	levy within such 30-day period upon re-
6	quest of the State agencies responsible for
7	collecting past-due support from such indi-
8	viduals); and
9	"(ii) providing notice to such individ-
10	uals of the lien or levy upon their assets
11	and informing them—
12	"(I) of their procedural due proc-
13	ess rights, including the opportunity to
14	contest such lien or levy to the appro-
15	priate State agency; and
16	"(II) in the case of jointly owned
17	assets, of the process by which other
18	owners may secure their respective
19	share of such assets, according to such
20	policies and procedures as the Sec-
21	retary may specify with respect to sei-
22	zure of such assets.
23	"(2) Transfer of funds to states.—Assets
24	seized from individuals under paragraph (1)(C) shall
25	be promptly transferred by the Secretary to the State

1	agencies responsible for collecting past-due support
2	from such individuals for distribution pursuant to
3	section 457.
4	"(3) Relationship to state laws.—Notwith-
5	standing any provision of State law, an individual
6	receiving a notice under paragraph (1)(C) shall have
7	21 calendar days from the date of such notice to con-
8	test the lien or levy imposed under such paragraph by
9	requesting an administrative review by the State
10	agency responsible for collecting past-due support
11	from such individual.
12	"(4) Treatment of disclosures.—For pur-
13	poses of section 1113(d) of the Right to Financial Pri-
14	vacy Act of 1978, a disclosure pursuant to this sub-
15	section shall be considered a disclosure pursuant to a
16	Federal statute.".
17	(b) State Duties.—
18	(1) Individuals with assets subject to fed-
19	ERAL SEIZURE.—Section 454 (42 U.S.C. 654), as
20	amended by section $301(b)(1)(B)(iii)$, is amended—
21	(A) in paragraph (33), by striking "and"
22	at the end;
23	(B) in paragraph (34), by striking the pe-
24	riod and inserting "; and"; and

1	(C) by inserting after paragraph (34), the
2	following:
3	"(35) provide that the State shall—
4	"(A) upon furnishing the Secretary with in-
5	formation under section 452(l) with respect to
6	individuals owing past-due support, provide no-
7	tice to such individuals that their assets held in
8	financial institutions shall be subject to seizure
9	to pay such past-due support, and shall—
10	"(i) instruct such individuals of the
11	steps which may be taken to contest the
12	State's determination that past-due support
13	is owed or the amount of the past-due sup-
14	port; and
15	"(ii) include, in the case of jointly
16	owned assets, a description of the process by
17	which other owners may secure their share
18	of such assets, in accordance with such poli-
19	cies and procedures as the Secretary may
20	specify with respect to seizure of such assets;
21	"(B) promptly resolve cases in which such
22	individuals contest the State's determination
23	with respect to past-due support, and provide for
24	expedited refund of any assets erroneously seized

1	and transferred to the State under such section
2	452(l); and
3	"(C) except as otherwise specified under this
4	paragraph or by the Secretary, ensure that the
5	due process protections afforded under this para-
6	graph to individuals whose assets are subject to
7	seizure under section 452(l) are generally con-
8	sistent with, and to the extent practicable con-
9	form to, the due process protections afforded by
10	the State to individuals subject to offset of tax re-
11	funds under section 464.".
12	(2) Reimbursement of federal costs.—Sec-
13	tion 453(k)(3) (42 U.S.C. 653(k)(3)) is amended—
14	(A) in the paragraph heading, by inserting
15	"AND ENFORCEMENT SERVICES" after "INFORMA-
16	TION"
17	(B) by inserting "or enforcement services"
18	after "that receives information";
19	(C) by inserting "or section 452(l)" after
20	"pursuant to this section"; and
21	(D) by striking "in furnishing the informa-
22	tion" and inserting "in furnishing such informa-
23	tion or enforcement services".
24	(c) Conforming Amendments.—

1	(1) State law requirements.—Section
2	466(a)(17) (42 U.S.C. 666(a)(17)) is amended—
3	$(A) \ in \ subparagraph \ (A)$ —
4	(i) in clause (i), by inserting "pursu-
5	ant to section 452(l)" after "and the Fed-
6	eral Parent Locator Service"; and
7	(ii) in clause (ii), by inserting "issued
8	by the State agency or by the Secretary
9	under section 452(l)" after "in response to
10	a notice of lien or levy"; and
11	(B) in subparagraph (C)—
12	(i) in clause (i), by inserting "or to the
13	Federal Parent Locator Service" after "to
14	the State agency"; and
15	(ii) in clause (ii), by striking "issued
16	by the State agency".
17	(2) Non Liability for financial institu-
18	TIONS.—Section $469A(a)$ $(42$ U.S.C. $669a(a))$ is
19	amended by inserting "section 452(l) or" before "sec-
20	tion $466(a)(17)(A)$ ".
21	SEC. 312. INFORMATION COMPARISONS WITH INSURANCE
22	DATA.
23	(a) Duties of the Secretary.—Section 452 (42
24	U.S.C. 652) is amended by adding at the end the following:

1	"(m) Comparisons With Insurance Informa-
2	TION.—
3	"(1) In general.—The Secretary, through the
4	Federal Parent Locator Service, is authorized—
5	"(A) to compare information concerning in-
6	dividuals owing past-due support with informa-
7	tion maintained by insurers (or their agents)
8	concerning insurance claims, settlements,
9	awards, and payments, and
10	"(B) to furnish information resulting from
11	such data matches to the State agencies respon-
12	sible for collecting child support from such indi-
13	viduals.
14	"(2) Liability.—No insurer (including any
15	agent of an insurer) shall be liable under any Federal
16	or State law to any person for any disclosure pro-
17	vided for under this subsection, or for any other ac-
18	tion taken in good faith in accordance with the provi-
19	sions of this subsection.".
20	(b) State Reimbursement of Federal Costs.—
21	Section 453(k)(3) (42 U.S.C. 653(k)(3)), as amended by sec-
22	tion 312(b)(2), is amended by striking "section 452(l)" and
23	inserting "subsection (l) or (m) of section 452".

1	SEC. 313. TRIBAL ACCESS TO THE FEDERAL PARENT LOCA-
2	TOR SERVICE.
3	Section $453(c)(1)$ (42 U.S.C. $653(c)(1)$) is amended by
4	inserting "or Indian tribe or tribal organization" after
5	"any agent or attorney of any State".
6	SEC. 314. REIMBURSEMENT OF SECRETARY'S COSTS OF IN-
7	FORMATION COMPARISONS AND DISCLOSURE
8	FOR ENFORCEMENT OF OBLIGATIONS ON
9	HIGHER EDUCATION ACT LOANS AND
10	GRANTS.
11	Section $453(j)(6)(F)$ (42 U.S.C. $653(j)(6)(F)$) is
12	amended by striking "additional".
13	SEC. 315. TECHNICAL AMENDMENT RELATING TO COOPERA-
14	TIVE AGREEMENTS BETWEEN STATES AND IN-
1415	TIVE AGREEMENTS BETWEEN STATES AND INDIAN TRIBES.
15	DIAN TRIBES.
15 16 17	DIAN TRIBES. Section 454(33) (42 U.S.C. 654(33)) is amended by
15 16 17	DIAN TRIBES. Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428
15 16 17 18	DIAN TRIBES. Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428 and".
15 16 17 18 19	DIAN TRIBES. Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428 and". SEC. 316. CLAIMS UPON LONGSHORE AND HARBOR WORK-
15 16 17 18 19 20	DIAN TRIBES. Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428 and". SEC. 316. CLAIMS UPON LONGSHORE AND HARBOR WORK-ERS' COMPENSATION FOR CHILD SUPPORT.
15 16 17 18 19 20 21	DIAN TRIBES. Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428 and". SEC. 316. CLAIMS UPON LONGSHORE AND HARBOR WORK-ERS' COMPENSATION FOR CHILD SUPPORT. (a) IN GENERAL.—Section 17 of the Longshore and
15 16 17 18 19 20 21 22	Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428 and". SEC. 316. CLAIMS UPON LONGSHORE AND HARBOR WORK-ERS' COMPENSATION FOR CHILD SUPPORT. (a) IN GENERAL.—Section 17 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 917) is
15 16 17 18 19 20 21 22 23	DIAN TRIBES. Section 454(33) (42 U.S.C. 654(33)) is amended by striking "that receives funding pursuant to section 428 and". SEC. 316. CLAIMS UPON LONGSHORE AND HARBOR WORK- ERS' COMPENSATION FOR CHILD SUPPORT. (a) IN GENERAL.—Section 17 of the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 917) is amended to read as follows: "LIENS ON COMPENSATION; CHILD SUPPORT ENFORCEMENT

1	tions Act, 1947 (29 U.S.C. 186(c)) established pursuant to
2	a collective-bargaining agreement in effect between an em-
3	ployer and an employee covered under this Act has paid
4	disability benefits to an employee which the employee is le-
5	gally obligated to repay by reason of the employee's entitle-
6	ment to compensation under this Act or under a settlement,
7	the Secretary shall authorize a lien on such compensation
8	in favor of the trust fund for the amount of such payments.
9	"(b) Child Support.—Compensation or benefits due
10	or payable to an individual under this Act (other than med-
11	ical benefits) shall be subject, in like manner and to the
12	same extent as similar compensation or benefits under a
13	workers' compensation program if established under State
14	law—
15	"(1) to withholding in accordance with State law
16	enacted pursuant to subsections (a)(1) and (b) of sec-
17	tion 466 of the Social Security Act and regulations
18	under such subsections; and
19	"(2) to any other legal process brought, by a
20	State agency administering a program under a State
21	plan approved under part D of title IV of the Social
22	Security Act or by an individual obligee, to enforce
23	the legal obligation of the individual to provide child
24	support or alimony.".

1	(b) Conforming Amendment.—Section 16 of the
2	Longshore and Harbor Workers' Compensation Act (33
3	U.S.C. 916) is amended—
4	(1) by striking "No" and inserting "Except as
5	provided by this Act, no"; and
6	(2) by striking ", except as provided by this
7	Act," after "under this Act".
8	SEC. 317. STATE OPTION TO USE STATEWIDE AUTOMATED
9	DATA PROCESSING AND INFORMATION RE-
10	TRIEVAL SYSTEM FOR INTERSTATE CASES.
11	Section $466(a)(14)(A)(iii)$ (42 U.S.C.
12	666(a)(14)(A)(iii)) is amended by inserting before the semi-
13	colon the following: "(but the assisting State may establish
14	a corresponding case based on such other State's request for
15	assistance)".
16	SEC. 318. INTERCEPTION OF GAMBLING WINNINGS FOR
17	CHILD SUPPORT.
18	(a) Interception of Gambling Winnings for
19	CHILD SUPPORT.—Section 452 (42 U.S.C. 652), as amend-
20	ed by section 313, is amended by adding at the end the
21	following:
22	"(n) Interception of Gambling Winnings for
23	Past-Due Support.—
24	"(1) In General.—The Secretary, through the
25	Federal Parent Locator Service, is authorized in ac-

1	cordance with this subsection, to intercept gambling
2	winnings of an individual owing past-due support
3	being enforced by a State agency with a plan ap-
4	proved under this part, and to transmit such
5	winnings to the State agency for distribution pursu-
6	ant to section 457.
7	"(2) Requirements for gambling establish-
8	MENTS.—A gambling establishment subject to this
9	subsection shall not pay to any individual gambling
10	winnings (as defined in paragraph (6)) meeting the
11	criteria for reporting to the Internal Revenue Service
12	pursuant to section 6041 of the Internal Revenue
13	Code of 1986 until the establishment—
14	"(A) has furnished to the Secretary—
15	"(i) the information required to be so
16	reported with respect to such individual
17	and such winnings; and
18	"(ii) the net amount of such gambling
19	winnings (hereafter in this subsection re-
20	ferred to as the 'net gambling winnings')
21	after withholding of amounts for Federal
22	taxes as required pursuant to section
23	3402(q) of the Internal Revenue Code of
24	1986; and

1	"(B) has complied with the Secretary's in-
2	structions pursuant to paragraph (3).
3	"(3) Data match and withholding.—The Sec-
4	retary shall—
5	"(A) compare information furnished pursu-
6	ant to paragraph (2)(A) with information on in-
7	dividuals who owe past-due support;
8	"(B) direct the gambling establishment to
9	withhold from an individual's net gambling
10	winnings all amounts not exceeding the total
11	past-due support owed by the individual;
12	"(C) authorize the gambling establishment,
13	in reimbursement of its costs of complying with
14	this subsection, to withhold and retain from such
15	net gambling winnings an amount equal to 2
16	percent of the amount to be withheld pursuant to
17	subparagraph (B), which amount shall be taken
18	first from any excess of such net winnings above
19	the amount withheld pursuant to subparagraph
20	(B), with any balance to be taken from the
21	amount so withheld; and
22	"(D) require the gambling establishment to
23	furnish written notice to the individual whose
24	gambling winnings are withheld pursuant to this
25	subsection, that includes—

1	"(i) the amounts withheld pursuant to
2	subparagraphs (B) and (C);
3	"(ii) the reason and authority for the
4	withholding; and
5	"(iii) an explanation of the individ-
6	ual's procedural due process rights, includ-
7	ing the right to contest such withholding to
8	the responsible State agency and informa-
9	tion necessary to contact such State agency.
10	"(4) Transfer of withheld amounts.—Net
11	amounts withheld for past-due support pursuant to
12	subparagraphs (B) and (C) of paragraph (3) shall—
13	"(A) be transferred by the gambling estab-
14	lishment to the Secretary at the same time and
15	in the same manner as amounts withheld under
16	section 3402(q) of the Internal Revenue Code of
17	1986 would be transferred to the Internal Rev-
18	enue Service, together with the information de-
19	scribed in paragraph (2)(A)(i) with respect to
20	the individuals whose winnings were withheld
21	under this subsection; and
22	"(B) be promptly transferred by the Sec-
23	retary to the appropriate State agency.

1	"(5) Nonliability of gambling establish-
2	MENTS.—A gambling establishment shall not be liable
3	under any Federal or State law to any person—
4	"(A) for any disclosure of information to
5	the Secretary under this subsection;
6	"(B) for withholding or surrendering gam-
7	bling winnings in accordance with this sub-
8	section; or
9	"(C) for any other action taken in good
10	faith to comply with this subsection.
11	"(6) Definition of Gambling winnings.—In
12	this subsection, the term 'gambling winnings' means
13	the proceeds of a wager that are subject to reporting
14	under section 6041 of the Internal Revenue Code of
15	1986.".
16	(b) Requirement for State Laws.—Section 466(a)
17	(42 U.S.C. 666(a)) is amended by inserting after paragraph
18	(19) the following:
19	"(20) Interception of gambling winnings.—
20	Procedures under which—
21	"(A) gambling establishments subject to the
22	laws of the State are required to comply with the
23	provisions of section 452(n), and are subject to
24	sanctions for failure to comply, which shall in-
25	clude liability in an amount equal to the amount

1	the establishment would have withheld if it so
2	complied;
3	"(B) noncustodial parents owing past-due
4	support are provided with written notice that
5	gambling winnings may be subject to with-
6	holding for past-due support under section
7	452(n); and
8	"(C) cases where such noncustodial parents
9	contest the State's determination with respect to
10	past-due support are promptly resolved, and ex-
11	pedited refund is made of any amounts erro-
12	neously seized under such section $452(n)$.".
13	(c) State Reimbursement of Federal Costs.—
14	Section 453(k)(3) (42 U.S.C.653(k)(3)), as amended by sec-
15	tion 313(b), is amended by striking "or (m)" and inserting
16	" (m) , or (n) ".
17	(d) Requirement for Participating Indian
18	Tribes.—Section 455(f) (42 U.S.C. 655(f)) is amended in
19	the first sentence by striking "and location of absent par-
20	ents" and inserting "location of absent parents, and inter-
21	ception of gambling winnings consistent with the require-
22	ments of sections 452(n) and 466(a)(20)".

1	SEC. 319. STATE LAW REQUIREMENT CONCERNING THE
2	UNIFORM INTERSTATE FAMILY SUPPORT ACT
3	(UIFSA).
4	(a) In General.—Section 466(f) (42 U.S.C. 666(f))
5	is amended—
6	(1) by striking "and as in effect on August 22,
7	1996,"; and
8	(2) by striking "adopted as of such date" and in-
9	serting "adopted as of August, 2001".
10	(b) Full Faith and Credit for Child Support
11	Orders.—Section 1738B of title 28, United States Code,
12	is amended—
13	(1) by striking subsection (d) and inserting the
14	following:
15	"(d) Continuing Exclusive Jurisdiction.—
16	"(1) In general.—Subject to paragraph (2), a
17	court of a State that has made a child support order
18	consistent with this section has continuing, exclusive
19	jurisdiction to modify its order if the order is the con-
20	trolling order and—
21	"(A) the State is the child's State or the res-
22	idence of any individual contestant; or
23	"(B) if the State is not the residence of the
24	child or an individual contestant, the contestants
25	consent in a record or in open court that the

1	court may continue to exercise jurisdiction to
2	modify its order.
3	"(2) Requirement.—A court may not exercise
4	its continuing, exclusive jurisdiction to modify the
5	order if the court of another State, acting in accord-
6	ance with subsections (e) and (f), has made a modi-
7	fication of the order.";
8	(2) in subsection $(e)(2)$ —
9	(A) in subparagraph (A), by striking "be-
10	cause" and all that follows through the semicolon
11	and inserting "pursuant to paragraph (1) or (2)
12	of subsection (d) ;" and
13	(B) in subparagraph (B), by inserting
14	"with jurisdiction over at least 1 of the indi-
15	vidual contestants or that is located in the
16	child's State" after "another State";
17	(3) in subsection (f)—
18	(A) in the subsection heading, by striking
19	"Recognition of" and inserting "Determina-
20	Tion of Controlling";
21	(B) in the matter preceding paragraph (1),
22	by striking "shall apply" and all that follows
23	through the colon and inserting "having personal
24	jurisdiction over both individual contestants

1	shall apply the following rules and by order shall
2	determine which order controls:"
3	(C) in paragraph (1), by striking "must be"
4	and inserting "controls and must be so";
5	(D) in paragraph (2), by striking "must be
6	recognized" and inserting "controls";
7	(E) in paragraph (3), by striking "must be
8	recognized" each place it appears and inserting
9	"controls";
10	(F) in paragraph (4)—
11	(i) by striking "may" and inserting
12	"shall"; and
13	(ii) by striking "must be recognized"
14	and inserting "controls"; and
15	(G) by striking paragraph (5);
16	(4) by striking subsection (g) and inserting the
17	following:
18	"(g) Enforcement of Modified Orders.—If a
19	child support order issued by a court of a State is modified
20	by a court of another State which properly assumed juris-
21	diction, the issuing court—
22	"(1) may enforce its order that was modified
23	only as to arrears and interest accruing before the
24	modification;

1	"(2) may provide appropriate relief for viola-
2	tions of its order which occurred before the effective
3	date of the modification; and
4	"(3) shall recognize the modifying order of the
5	other State for the purpose of enforcement.";
6	(5) in subsection (h)—
7	(A) in paragraph (1), by striking "and (3)"
8	and inserting ", (3), and (4)";
9	(B) in paragraph (2), by inserting "the
10	computation and payment of arrearages, and the
11	accrual of interest on the arrearages," after "ob-
12	ligations of support,"; and
13	(C) by adding at the end the following:
14	"(4) Prospective application.—After a court
15	determines which is the controlling order and issues
16	an order consolidating arrears, if any, a court shall
17	prospectively apply the law of the State issuing the
18	controlling order, including that State's law with re-
19	spect to interest on arrears, current and future sup-
20	port, and consolidated arrears."; and
21	(6) in subsection (i), by inserting "and sub-
22	section (d)(2) does not apply" after "issuing State".

1	SEC. 320. GRANTS TO STATES FOR ACCESS AND VISITATION
2	PROGRAMS.
3	(a) Authority To Make Grants to Indian
4	Tribes.—Section 469B (42 U.S.C. 669b) is amended—
5	(1) in the section heading, by inserting "AND
6	INDIAN TRIBES" after "STATES"; and
7	(2) in subsection (a), by inserting "and Indian
8	tribes or tribal organizations" after "to enable
9	States".
10	(b) Amount of Grants.—Section 469B(b) (42 U.S.C.
11	669b(b)) is amended to read as follows:
12	"(b) Amount of Grants.—
13	"(1) Grants to states.—The amount of the
14	grant to be made to a State under this section for a
15	fiscal year shall be an amount equal to the lesser of—
16	"(A) 90 percent of State expenditures dur-
17	ing the fiscal year for activities described in sub-
18	section (a); or
19	"(B) the allotment of the State under sub-
20	section (c) for the fiscal year.
21	"(2) Grants to indian tribes.—An Indian
22	tribe or tribal organization operating a program
23	under section 455 that has operated such program
24	throughout the preceding fiscal year and has an ap-
25	plication under this section approved by the Secretary
26	shall receive a grant under this section for a fiscal

1	year in an amount equal to the allotment of such In-
2	dian tribe or tribal organization under subsection
3	(c)(2) for the fiscal year.".
4	(c) Allotments.—Section $469B(c)$ (42 U.S.C.
5	669b(c)) is amended to read as follows:
6	"(c) Allotments.—
7	"(1) Allotments to states.—
8	"(A) In general.—Subject to the subpara-
9	graph (C), the allotment of a State for a fiscal
10	year is the amount that bears the same ratio to
11	the amount specified in subparagraph (B) for
12	such fiscal year as the number of children in the
13	State living with only 1 parent bears to the total
14	number of such children in all States.
15	"(B) Amount available for allot-
16	MENT.—For purposes of subparagraph (A), the
17	amount specified in this subparagraph is the fol-
18	lowing amount, reduced by the total allotments
19	to Indian tribes or tribal organizations in ac-
20	cordance with paragraph (2):
21	"(i) \$12,000,000 for fiscal year 2004.
22	"(ii) \$14,000,000 for fiscal year 2005.
23	"(iii) \$16,000,000 for fiscal year 2006.
24	"(iv) \$20,000,000 for fiscal year 2007
25	and each succeeding fiscal year.

1	"(C) Minimum state allotment.—The
2	Secretary shall adjust allotments to States under
3	subparagraph (A) as necessary to ensure that no
4	State is allotted less than—
5	"(i) \$120,000 for fiscal year 2004;
6	"(ii) \$140,000 for fiscal year 2005;
7	"(iii) \$160,000 for fiscal year 2006;
8	and
9	"(iv) \$180,000 for fiscal year 2007 and
10	each succeeding fiscal year.
11	"(2) Allotments to indian tribes.—
12	"(A) In general.—Subject to subpara-
13	graph (C), the allotment of an Indian tribe or
14	tribal organization described in subsection (b)(2)
15	for a fiscal year is an amount that bears the
16	same ratio to the amount specified in subpara-
17	graph (B) for such fiscal year as the number of
18	children in the Indian tribe or tribal organiza-
19	tion living with only 1 parent bears to the total
20	number of such children in all Indian tribes and
21	tribal organizations eligible to receive grants
22	under this section for such year.
23	"(B) Amount available for allot-
24	MENT.—For purposes of subparagraph (A), the
25	amount available under this subparagraph is an

1	amount, deducted from the amount specified in
2	paragraph (1)(B), not to exceed—
3	"(i) \$250,000 for fiscal year 2004;
4	"(ii) \$600,000 for fiscal year 2005;
5	"(iii) \$800,000 for fiscal year 2006;
6	and
7	"(iv) \$1,670,000 for fiscal year 2007
8	and each succeeding year.
9	"(C) Minimum and maximum tribal al-
10	LOTMENT.—The Secretary shall adjust allot-
11	ments to Indian tribes and tribal organizations
12	under subparagraph (A) as necessary to ensure
13	that no Indian tribe or tribal organization is al-
14	lotted, for a fiscal year, an amount which is less
15	than \$10,000 or more than the minimum State
16	allotment for such fiscal year.".
17	(d) Administration.—Section 469B(e) (42 U.S.C.
18	669b(e)) is amended to read as follows:
19	"(e) Administration.—
20	"(1) Grants to states.—Each State to which
21	a grant is made under this section—
22	"(A) may administer State programs fund-
23	ed with the grant, directly or through grants to
24	or contracts with courts, local public agencies, or
25	nonprofit private entities; and

1	"(B) shall not be required to operate such
2	programs on a statewide basis.
3	"(2) Grants to States or indian tribes.—
4	Each State or Indian tribe or tribal organization to
5	which a grant is made under this section shall mon-
6	itor, evaluate, and report on such programs in ac-
7	cordance with regulations prescribed by the Sec-
8	retary.".
9	SEC. 321. TIMING OF CORRECTIVE ACTION YEAR FOR STATE
10	NONCOMPLIANCE WITH CHILD SUPPORT EN-
11	FORCEMENT PROGRAM REQUIREMENTS.
12	(a) In General.—Section 409(a)(8) (42 U.S.C.
13	609(a)(8)) is amended—
14	(1) in subparagraph (A)—
15	(A) in the matter preceding clause (i)(I), by
16	striking "in a fiscal year" and inserting "for a
17	fiscal year"; and
18	(B) in clause (ii)—
19	(i) in the matter preceding subclause
20	(I), by striking "that, with respect to the
21	succeeding fiscal year—" and inserting
22	"that, with respect to the period described
23	in subparagraph (D)"; and
24	(ii) in the matter following subclause
25	(II), by striking "the end of such succeeding

1	fiscal year" and inserting "the end of the
2	period described in subparagraph (D)"; and
3	(2) by adding at the end the following:
4	"(D) Period described.—Subject to sub-
5	paragraph (E), for purposes of this paragraph,
6	the period described in this subparagraph is the
7	period that begins with the date on which the
8	Secretary makes a finding described in subpara-
9	graph (A)(i) with respect to State performance
10	in a fiscal year and ends on September 30 of the
11	fiscal year following the fiscal year in which the
12	Secretary makes such a finding.
13	"(E) No penalty if state corrects non-
14	COMPLIANCE IN FINDING YEAR.—The Secretary
15	shall not take a reduction described in subpara-
16	graph (A) with respect to a noncompliance de-
17	scribed in clause (i) of that subparagraph if the
18	Secretary determines that the State has corrected
19	the noncompliance in the fiscal year in which
20	the Secretary makes the finding of the non-
21	compliance.".
22	(b) Effective Date.—The amendments made by sub-
23	section (a) shall be effective with respect to determinations
24	of State compliance for fiscal year 2002 and succeeding fis-
25	cal years.

1	(c) Special Rule for Fiscal Year 2001.—Notwith-
2	standing any other provision of law, the Secretary shall not
3	take against amounts otherwise payable to a State, a reduc-
4	tion described in section 409(a)(8)(A) of the Social Security
5	Act (42 U.S.C. 609(a)(8)(A)) with respect to a noncompli-
6	ance described in such section occurring in fiscal year 2001
7	if the Secretary determines that the State has corrected such
8	noncompliance in fiscal year 2002 or 2003.
9	TITLE IV—CHILD WELFARE
10	SEC. 401. EXTENSION OF AUTHORITY TO APPROVE DEM-
11	ONSTRATION PROJECTS.
12	Section $1130(a)(2)$ (42 U.S.C. $1320a-9(a)(2)$), as
13	amended by section 5 of the Welfare Reform Extension Act
14	of 2003 (Public Law 108–040, 117 Stat. 837) is amended
15	by striking "2003" and inserting "2008".
16	SEC. 402. REMOVAL OF COMMONWEALTH OF PUERTO RICO
17	FOSTER CARE FUNDS FROM LIMITATION ON
18	PAYMENTS.
19	Section 1108(a)(2) (42 U.S.C. 1308(a)(2)), as amend-
20	ed by section 116(b)(2), is amended—
21	(1) by striking "Paragraph (1)" and inserting
22	$the\ following:$
23	"(A) In General.—Paragraph (1)";
24	(2) in subparagraph (A) (as added by paragraph
25	(1)), by striking "or $418(a)(4)(B)$ " and inserting

1	" $418(a)(4)(B)$, or, subject to clause (ii) of subpara-
2	graph (B), payments to Puerto Rico described in
3	clause (i) of that subparagraph" before the period;
4	and
5	(3) by adding at the end the following:
6	"(B) CERTAIN PAYMENTS TO PUERTO
7	RICO.—
8	"(i) Payments described.—For pur-
9	poses of subparagraph (A), payments de-
10	scribed in this subparagraph are payments
11	made to Puerto Rico under part E of title
12	IV with respect to the portion of foster care
13	payments made to Puerto Rico for fiscal
14	year 2005 or any fiscal year thereafter that
15	exceed the total amount of such payments
16	for fiscal year 2002.
17	"(ii) Limitation.—The total amount
18	of payments to Puerto Rico described in
19	clause (i) that are disregarded under sub-
20	paragraph (A) may not exceed \$6,250,000
21	for each of fiscal years 2005 through 2008.".
22	SEC. 403. TECHNICAL CORRECTION.
23	Section $1130(b)(1)$ (42 U.S.C. $1320a-9(b)(1)$) is
24	amended by striking "422(b)(9)" and inserting
25	"422(b)(10)".

1	TITLE V—SUPPLEMENTAL
2	SECURITY INCOME
3	SEC. 501. REVIEW OF STATE AGENCY BLINDNESS AND DIS-
4	ABILITY DETERMINATIONS.
5	Section 1633 (42 U.S.C. 1383b) is amended by adding
6	at the end the following:
7	"(e)(1) The Commissioner of Social Security shall re-
8	view determinations, made by State agencies pursuant to
9	subsection (a) in connection with applications for benefits
10	under this title on the basis of blindness or disability, that
11	individuals who have attained 18 years of age are blind
12	or disabled as of a specified onset date. The Commissioner
13	of Social Security shall review such a determination before
14	any action is taken to implement the determination.
15	"(2)(A) In carrying out paragraph (1), the Commis-
16	sioner of Social Security shall review—
17	"(i) at least 20 percent of all determinations re-
18	ferred to in paragraph (1) that are made in fiscal
19	year 2004;
20	"(ii) at least 40 percent of all such determina-
21	tions that are made in fiscal year 2005; and
22	"(iii) at least 50 percent of all such determina-
23	tions that are made in fiscal year 2006 or thereafter.
24	"(B) In carrying out subparagraph (A), the Commis-
25	sioner of Social Security shall, to the extent feasible, select

1	for review the determinations which the Commissioner of
2	Social Security identifies as being the most likely to be in-
3	correct.".
4	TITLE VI—TRANSITIONAL
5	MEDICAL ASSISTANCE
6	SEC. 601. EXTENSION AND SIMPLIFICATION OF THE TRAN-
7	SITIONAL MEDICAL ASSISTANCE PROGRAM
8	(TMA).
9	(a) Option of Continuous Eligibility for 12
10	Months; Option of Continuing Coverage for Up To
11	an Additional Year.—
12	(1) Option of continuous eligibility for 12
13	MONTHS BY MAKING REPORTING REQUIREMENTS OP-
14	TIONAL.—Section 1925(b) (42 U.S.C. 1396r-6(b)) is
15	amended—
16	(A) in paragraph (1), by inserting ", at the
17	option of a State," after "and which";
18	(B) in paragraph (2)(A), by inserting
19	"Subject to subparagraph (C):" after "(A) No-
20	TICES.—";
21	(C) in paragraph $(2)(B)$, by inserting
22	"Subject to subparagraph (C):" after "(B) Re-
23	PORTING REQUIREMENTS.—";
24	(D) by adding at the end the following:

1	"(C) State option to waive notice and
2	REPORTING REQUIREMENTS.—A State may
3	waive some or all of the reporting requirements
4	under clauses (i) and (ii) of subparagraph (B).
5	Insofar as it waives such a reporting require-
6	ment, the State need not provide for a notice
7	under subparagraph (A) relating to such require-
8	ment."; and
9	(E) in paragraph $(3)(A)(iii)$, by inserting
10	"the State has not waived under paragraph
11	(2)(C) the reporting requirement with respect to
12	such month under paragraph (2)(B) and if"
13	after "6-month period if".
14	(2) State option to extend eligibility for
15	LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDITIONAL
16	MONTHS.—Section 1925 (42 U.S.C. 1396r-6) is fur-
17	ther amended—
18	(A) by redesignating subsections (c) through
19	(f) as subsections (d) through (g), respectively;
20	and
21	(B) by inserting after subsection (b) the fol-
22	lowing:
23	"(c) State Option of Up To 12 Months of Addi-
24	TIONAL ELIGIBILITY.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title may provide, at the option of the State, that the State shall offer to each family which received assistance during the entire 6-month period under subsection (b) and which meets the applicable requirement of paragraph (2), in the last month of the period the option of extending coverage under this subsection for the succeeding period not to exceed 12 months.

"(2) INCOME RESTRICTION.—The option under paragraph (1) shall not be made available to a family for a succeeding period unless the State determines that the family's average gross monthly earnings (less such costs for such child care as is necessary for the employment of the caretaker relative) as of the end of the 6-month period under subsection (b) does not exceed 185 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

"(3) APPLICATION OF EXTENSION RULES.—The provisions of paragraphs (2), (3), (4), and (5) of subsection (b) shall apply to the extension provided

1	under this subsection in the same manner as they
2	apply to the extension provided under subsection
3	(b)(1), except that for purposes of this subsection—
4	"(A) any reference to a 6-month period
5	under subsection (b)(1) is deemed a reference to
6	the extension period provided under paragraph
7	(1) and any deadlines for any notices or report-
8	ing and the premium payment periods shall be
9	modified to correspond to the appropriate cal-
10	endar quarters of coverage provided under this
11	subsection; and
12	"(B) any reference to a provision of sub-
13	section (a) or (b) is deemed a reference to the
14	corresponding provision of subsection (b) or of
15	this subsection, respectively.".
16	(b) State Option To Waive Receipt of Medicaid
17	for 3 of Previous 6 Months To Qualify for TMA.—
18	Section 1925(a)(1) (42 U.S.C. 1396r-6(a)(1)) is amended
19	by adding at the end the following: "A State may, at its
20	option, also apply the previous sentence in the case of a
21	family that was receiving such aid for fewer than 3 months,
22	or that had applied for and was eligible for such aid for
23	fewer than 3 months, during the 6 immediately preceding
24	months described in such sentence.".
25	(c) Extension of Sunset for TMA.—

1	(1) In General.—Subsection (g) of section 1925
2	(42 U.S.C. 1396r-6), as so redesignated under sub-
3	section (a)(2)(A), and as amended by section 7 of the
4	Welfare Reform Extension Act of 2003, is further re-
5	designated as subsection (i) and is amended by strik-
6	ing "2003" and inserting "2008".
7	(2) Conforming amendment.—Section
8	1902(e)(1)(B) (42 U.S.C. $1396a(e)(1)(B)$), as so
9	amended, is amended by striking "September 30,
10	2003" and inserting "the last date (if any) on which
11	section 1925 applies under subsection (f) of that sec-
12	tion".
13	(d) CMS Report on Enrollment and Participa-
14	TION RATES UNDER TMA.—Section 1925 (42 U.S.C.
15	1396r-6), as amended by subsections $(a)(2)(A)$ and $(c)(1)$,
16	is amended by inserting after subsection (f) the following:
17	"(g) Additional Provisions.—
18	"(1) Collection and reporting of partici-
19	PATION INFORMATION.—Each State shall—
20	"(A) collect and submit to the Secretary, in
21	a format specified by the Secretary, information
22	on average monthly enrollment and average
23	monthly participation rates for adults and chil-
24	dren under this section: and

1	"(B) make such information publicly avail-
2	able.
3	Such information shall be submitted under subpara-
4	graph (A) at the same time and frequency in which
5	other enrollment information under this title is sub-
6	mitted to the Secretary. Using such information, the
7	Secretary shall submit to Congress annual reports
8	concerning such rates.".
9	(e) Coordination of Work.—Section 1925(g) (42
10	U.S.C. 1396r-6(g)), as added by subsection (d), is amended
11	by adding at the end the following:
12	"(2) Coordination with administration for
13	CHILDREN AND FAMILIES.—The Administrator of the
14	Centers for Medicare & Medicaid Services, in car-
15	rying out this section, shall work with the Assistant
16	Secretary for the Administration for Children and
17	Families to develop guidance or other technical assist-
18	ance for States regarding best practices in guaran-
19	teeing access to transitional medical assistance under
20	this section.".
21	(f) Elimination of TMA Requirement for States
22	That Extend Coverage to Children and Parents
23	Through 185 Percent of Poverty.—

1	(1) In General.—Section 1925 (42 U.S.C.
2	1396r-6) is amended by inserting after subsection (g),
3	as added by subsection (d), the following:
4	"(h) Provisions Optional for States That Ex-
5	TEND COVERAGE TO CHILDREN AND PARENTS THROUGH
6	185 Percent of Poverty.—A State may meet (but is not
7	required to meet) the requirements of subsections (a) and
8	(b) if it provides for medical assistance under section 1931
9	to families (including both children and caretaker relatives)
10	the average gross monthly earning of which (less such costs
11	for such child care as is necessary for the employment of
12	a caretaker relative) is at or below a level that is at least
13	185 percent of the official poverty line (as defined by the
14	Office of Management and Budget, and revised annually
15	in accordance with section 673(2) of the Omnibus Budget
16	Reconciliation Act of 1981) applicable to a family of the
17	size involved.".
18	(2) Conforming amendments.—Section 1925
19	(42 U.S.C. 1396 r -6) is amended, in subsections (a)(1)
20	and (b)(1), by inserting ", but subject to subsection
21	(h)," after "Notwithstanding any other provision of
22	this title," each place it appears.
23	(g) Requirement of Notice for All Families
24	Losing TANF.—Subsection (a)(2) of section 1925 (42

- 1 U.S.C. 1396r-6) is amended by adding at the end the fol-
- 2 lowing flush sentences:
- 3 "Each State shall provide, to families whose aid
- 4 under part A or E of title IV has terminated but
- 5 whose eligibility for medical assistance under this
- 6 title continues, written notice of their ongoing eligi-
- 7 bility for such medical assistance. If a State makes a
- 8 determination that any member of a family whose aid
- 9 under part A or E of title IV is being terminated is
- 10 also no longer eligible for medical assistance under
- 11 this title, the notice of such determination shall be
- 12 supplemented by a 1-page notification form describ-
- ing the different ways in which individuals and fami-
- lies may qualify for such medical assistance and ex-
- 15 plaining that individuals and families do not have to
- be receiving aid under part A or E of title IV in
- order to qualify for such medical assistance. Such no-
- tice shall further be supplemented by information on
- 19 how to apply for child health assistance under the
- 20 State children's health insurance program under title
- 21 XXI and how to apply for medical assistance under
- 22 this title.".
- 23 (h) Extending Use of Outstationed Workers To
- 24 Accept Applications for Transitional Medical As-
- 25 SISTANCE.—Section 1902(a)(55) (42 U.S.C. 1396a(a)(55))

1 is amended by inserting "and under section 1931" after 2 "(a)(10)(A)(ii)(IX)".

(i) Effective Dates.—

- (1) In GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 2003, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.
- (2) Notice.—The amendment made by subsection (g) shall take effect 6 months after the date of enactment of this Act.
- (3) Delay Permitted for state plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legis-

1	lature that begins after the date of enactment of this
2	Act. For purposes of the previous sentence, in the case
3	of a State that has a 2-year legislative session, each
4	year of such session shall be deemed to be a separate
5	regular session of the State legislature.
6	SEC. 602. PROHIBITION AGAINST COVERING CHILDLESS
7	ADULTS WITH SCHIP FUNDS.
8	(a) Prohibition on Use of SCHIP Funds.—
9	(1) In General.—Section 2107 (42 U.S.C.
10	1397gg) is amended by adding at the end the fol-
11	lowing:
12	"(f) Limitation on Waiver Authority.—Notwith-
13	standing subsection (e)(2)(A) and section 1115(a), the Sec-
14	retary may not approve a waiver, experimental, pilot, or
15	demonstration project, or an amendment to such a project
16	that has been approved as of the date of enactment of this
17	subsection, that would allow funds made available under
18	this title to be used to provide child health assistance or
19	other health benefits coverage to childless adults. For pur-
20	poses of the preceding sentence, a caretaker relative (as such
21	term is defined for purposes of carrying out section 1931)
22	shall not be considered a childless adult.".
23	(2) Conforming Amendment.—Section
24	2105(c)(1) (42 U.S.C. $1397ee(c)(1)$) is amended by
25	inserting before the period the following: "and may

- 1 not include coverage of childless adults. For purposes
- 2 of the preceding sentence, a caretaker relative (as such
- 3 term is defined for purposes of carrying out section
- 4 1931) shall not be considered a childless adult.".
- 5 (b) Rule of Construction.—Nothing in this section
- 6 or the amendments made by this section shall be construed
- 7 to—
- 8 (1) authorize the waiver of any provision of title
- 9 XIX or XXI of the Social Security Act (42 U.S.C.
- 10 1396 et seq., 1397aa et seq.) that is not otherwise au-
- 11 thorized to be waived under such titles or under title
- 12 XI of such Act (42 U.S.C. 1301 et seq.) as of the date
- of enactment of this Act; or
- 14 (2) imply congressional approval of any waiver,
- 15 experimental, pilot, or demonstration project affecting
- 16 the medicaid program under title XIX of the Social
- 17 Security Act or the State children's health insurance
- program under title XXI of such Act that has been
- 19 approved as of such date of enactment.
- 20 (c) Effective Date.—This section and the amend-
- 21 ments made by this section take effect on the date of enact-
- 22 ment of this Act and apply to proposals to conduct a waiv-
- 23 er, experimental, pilot, or demonstration project affecting
- 24 the medicaid program under title XIX of the Social Secu-
- 25 rity Act or the State children's health insurance program

- 1 under title XXI of such Act, and to any proposals to amend
- 2 such projects, that are approved or extended on or after such
- 3 date of enactment.

4 TITLE VII—EFFECTIVE DATE

- 5 SEC. 701. EFFECTIVE DATE.
- 6 (a) In General.—Subject to subsection (b) and except
- 7 as otherwise provided, the amendments made by this Act
- 8 take effect on the date of enactment of this Act.
- 9 (b) Exception.—In the case of a State plan under
- 10 part A or D of title IV of the Social Security Act which
- 11 the Secretary determines requires State legislation in order
- 12 for the plan to meet the additional requirements imposed
- 13 by the amendments made by this Act, the effective date of
- 14 the amendments imposing the additional requirements shall
- 15 be 3 months after the first day of the first calendar quarter
- 16 beginning after the close of the first regular session of the
- 17 State legislature that begins after the date of enactment of
- 18 this Act. For purposes of the preceding sentence, in the case
- 19 of a State that has a 2-year legislative session, each year
- 20 of the session shall be considered to be a separate regular
- 21 session of the State legislature.

Calendar No. 305

108TH CONGRESS 1ST SESSION

H. R. 4

[Report No. 108-162]

AN ACT

To reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

OCTOBER 3, 2003
Reported with an amendment